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SERBIA CONTINGENCY PLANNING AND ECONOMIC SECURITY PROGRAM (SCOPES)

WORK PLAN

FY 2008

October 10, 2007

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EXECUTIVE SUMMARY

USAID's SCOPES program aims to foster a stable and prosperous Serbia. It does so by helping businesses in difficult environments grow and provide employment opportunities for the country's most vulnerable populations and by helping municipalities be more resilient in times of crises or disasters. The program's Work Plan, outlined herein, represents the activities and tasks scheduled for SCOPES' second year of implementation and covers the period October 1, 2007 to September 30, 2008.

At a time when SCOPES is well positioned to extend its reach and start accruing significant impact, the environment in which SCOPES must operate is becoming more challenging. The resolution of Kosovo status remains pending and both Serbia and Kosovo are planning elections at various levels in the coming year. In addition, the Serbian government coalition agreement reached in May continues the trend of "one party rule" of ministries and threatens continued lack of cross ministry cooperation on such issues as disaster management reform. In addition, delays in the privatization process of state owned enterprises delays inevitable economic adjustments.

Component I. The overall goal of the Preparedness and Planning team is to help municipalities be more resilient to crises and disasters. A "disaster-resilient" municipality will have produced, updated and approved plans and standard procedures that enable it to cope with the hazards it is likely to face. During Year 1 of the program, the team designed a strategy for its approach to work at the local level, created linkages with partners and created an assessment tool to help it track municipal capacity in the area of emergency management. This work resulted in a ten step process for fostering more disaster resilient municipalities. Numerical targets of number of municipalities reached and key steps within the ten-step process are summarized in the table below.

Target Date	Oct 01, 2007	Mar 31, 2008	Sep 30, 2008
Component I Municipalities Approved by USAID	26	48	70
No. of those that complete Municipal Response Plans (MRPs)	16	29	33
No. of those MRPs with explicit and defined communication / coordination elements	1	15	31
No. of Municipalities with drafted and approved local municipal response ordinances	0	10	20
No. of Municipalities completing the SCOPES program & certified as "Disaster Resilient"	0	4	10

Surge Preparedness. Surge Capacity is a contract option that is not part of the core contract. It provides USAID with the ability to allocate up to \$10 million in additional resources in response to a crisis or disaster. In the absence of responding to a specific crisis, SCOPES has two primary responsibilities vis-à-vis Surge Capacity: 1) monitoring and reporting to USAID on potential or developing crises, and 2) preparing and maintaining the project's preparedness to respond to a crisis. During Year 2, SCOPES plans to: 1) issue updates to both the Serbia and Montenegro Surge Plans; 2) maintain staff preparedness through a series of in-service

workshops; and 3) continue to remove administrative barriers to rapid response by pre-qualifying local vendors.

Component II. The Economic Security Team seeks to expand economic opportunities in vulnerable areas, improve local government response to community needs, and expand civic participation. In Year 2 the program will continue to be highly targeted, working: 1) in seven municipalities – Bujanovac, Kraljevo, Kursumlija, Medvedja, Novi Pazar, Presevo and Prijepolje; 2) with specific vulnerable populations – youth, the displaced and the unemployed; and 3) on activities in six primary sub-sectors – Apparel, Dairy, Food Processing, Fruit (growing & processing), Forest Fruits and Tourism. The three primary targets of SCOPES interventions are businesses, individuals, and municipalities.

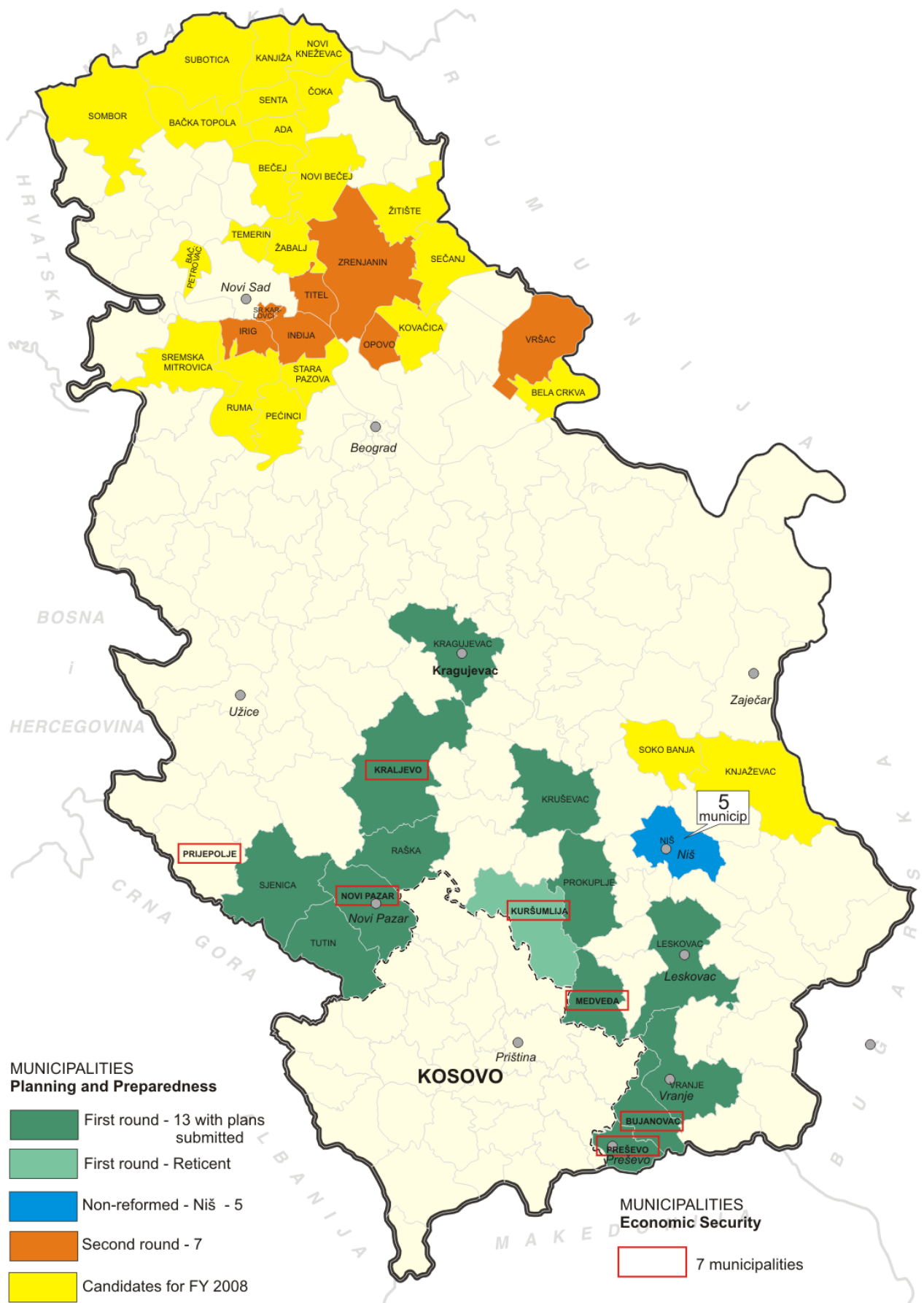
Illustrative Year 2 Economic Security activities include: increasing access to private sector business service providers to support entrepreneurs; conducting outreach initiatives to promote investments by Diaspora; using targeted competitions to foster innovation that increases employment; supporting job training in priority trades and sectors; training high school and university students in entrepreneurship skills; building practical skills through apprenticeships and internships; developing public/private partnerships to promote local economic development; improving capacity in local government to provide citizen services to vulnerable populations; and building capacity of EWGs to advocate for policies and initiate activities that will make their municipalities more attractive to private sector development. Expected results from these activities include:

- Job growth and increased sales;
- Increased integration of suppliers with processors;
- Greater business linkages between companies and cooperatives;
- More young people who have begun to develop entrepreneurship skills;
- More vulnerable people participating in municipal processes.

Project Management. Management is committed to ensuring that the underlying structures of the project – staffing levels, internal organization and office locations – are aligned to support the objectives and tasks outlined in the Year 2 work plan. While management believes that the overall staffing levels are sufficient to accomplish the activities and tasks outlined in the work plan, it anticipates the need to modify the internal structure to better serve the program requirements. An updated structure will be introduced before the end of September 2007, prior to the start of Year 2 work plan implementation.

Serbia is at a critical crossroads that all hope will lead to a country that has integrated into the European Union and where citizens access their rights through strong institutions, where due process and rule of law guide decision-making and where grievances are channeled through systems that are open to dialogue, compromise and accommodation. USAID's SCOPES program is uniquely positioned to help Serbia set its foot firmly on this road. In its initial year, the SCOPES Team has generally achieved its original targets and learned much about the nature of the work, the interests of municipalities, and the capability of its core team and main partners in program implementation. As SCOPES begins its next year's activities, it has drawn upon these formative lessons to organize and prioritize its work in a way to best suit the achievement of its goals.

SCOPES MUNICIPALITIES BY COMPONENT



INTRODUCTION

The Work Plan outlined here, represents the activities and tasks scheduled for SCOPES' second year of implementation.¹ It is based on the completed assessments and analyses undertaken in the first year and, more significantly, incorporates a wealth of experience and findings developed over the course of the program's implementation to date. Additionally, this Work Plan includes the participation of the complete SCOPES team, with hiring of program staff completed in recent months. The benefit of this is twofold: it incorporates a broader understanding and look into project opportunities at all levels, and, most importantly, it increases staff appreciation of and commitment to the planned activities. However, at a time when SCOPES is well positioned to extend its reach and start accruing significant impact, the environment in which SCOPES must operate is becoming more challenging.

The resolution of Kosovo status remains pending. Though Kosovo officials have agreed, at least for now, not to declare unilateral independence, the longer status remains undetermined, the more potential for instability builds. Ultimately, it is political and social developments within Kosovo itself, especially at local level that will determine whether persons who currently live there will decide to remain or to leave. As Kosovo elections approach, public discourse has become more accusatory and the charged atmosphere has repercussions within minority communities. Campaign seasons in Kosovo have historically been characterized by incidents of local-level violence. For Kosovo's minority communities to return, remain and integrate into Kosovar society, local-level authorities must convey that they can ensure security, safety and rule of law. For that reason, Kosovo's elections are as much a factor affecting SCOPES as the larger, internationalized question of Kosovo status.

Just as elections in Kosovo contribute to local-level instability, proposed new presidential, local and Vojvodina provincial elections threaten once again to freeze action in Serbia's municipalities. Over the past year, protracted negotiations over the formation of the Serbian government have produced, formally, a government, ending the months-long stalemate that was reflected at the local level and slowed action in a number of municipalities. The result is a government in which ministries are still one-party controlled, and, with continued tension between the main coalition partners – the Democratic Party and the Democratic Party of Serbia. The tension between DS and DSS at the national level is clear in the division of "ownership" of key ministries such as the Ministry of Interior and Ministry of Defense. Another key ministry, the Ministry of Justice, is controlled by DS, while administrative judicial functions, particularly the new Serbian Ombudsman, are less publicly delegated to DSS officials.

The continued politicization of the ministries indicates that Serbia's key institutions for assuring due process and rule of law are not yet guarantors of stability. It also suggests that indictments, arrests and detentions will continue to be used as political tools. In that environment, arrests or detentions on allegations of domestic terrorism, conspiracy and anti-state activity are likely. More of these can be expected, especially within SCOPES' area of operations, where not just the detentions, but the conduct of arrests, searches and questioning are also factors that affect relations between ethnic communities and between citizens and the state. Another way that the

¹ The year beginning October 1, 2007 will actually be the 17th month of implementation since the inception of the contract. However, this work plan is only the second planned set of activities submitted to USAID; the first plans (2006) included partial or extended years depending on the component. The project now uses the standard USAID fiscal year for planning and reporting purposes.

DS – DSS division impacts the program is through the neglect of, and lack of funding of, the Coordination Body for South Serbia.

Another factor affecting stability is the delay in the privatization of remaining state owned enterprises (SOEs). On the one hand, it delays the inevitable permanent closure of state owned enterprises, a delay that gives workers false hopes that "their" factory may be saved by a new investor, which is highly unlikely for many. This helps to fuel the informal/gray economy since these workers cannot take jobs elsewhere (legally) at a time when SCOPES is encouraging and supporting the development of the formal economy/private sector. When the inevitable happens, a temporary "flooding" of the job market with redundant workers, at a time of already high unemployment, will increase the potential for instability. On the other hand, SCOPES is likely to see an increase in the demand for our activities, especially those involved in job training and those that support the development of micro and small businesses.

Finally, FY 08 will also be a transition year for USAID/Serbia in the composition of its portfolio. During SCOPES first year, the juggernauts of USAID's portfolio came to an end – CRDA (\$200 million), SLGRP (\$30 million) and SEDP (\$12 million). This coming year, a new set of projects, including large agriculture and competitiveness projects, will commence. In the past, there has been a high level of inter-project collaboration and coordination and there is no reason to expect that this will not continue with the new projects. However, SCOPES will need to ensure that adequate staff time is available to engage in such coordination, especially in the Economic Security area.

In working over the next year and beyond to achieve its full potential in stabilizing and developing municipalities around the country, the SCOPES program will require the utmost from its professional staff in the delivery of its activities. In its initial year, the SCOPES Team has generally achieved its original targets across the two technical components and learned much about the nature of the work, the interests of municipalities, and the capability of its core team and main partners in program implementation. As SCOPES designs its next year's activities, it will draw upon these formative lessons to organize and prioritize its work in a way to best suit the achievement of its goals. This is first reflected in the activities and targets described in this work plan. Moreover, and as described in the Project Management section, this will also be reflected in a revised team organization and SCOPES internal processes for improved and more focused implementation.

The challenges outlined above place Serbia at a critical crossroads. One road leads to a Serbia that has integrated into the European Union and where citizens access their rights through strong institutions, where due process and rule of law guide decision-making and where grievances are channeled through systems that are open to dialogue, compromise and accommodation. The other road leads to a once-again isolated, chronically dysfunctional state that is rife with corruption, political and social instability, inter-ethnic tensions and violence. USAID's SCOPES program is uniquely positioned to help Serbia set its foot firmly on the first road. SCOPES aims to foster a stable and prosperous Serbia. It does so by helping businesses in difficult environments grow and provide employment opportunities for the country's most vulnerable populations and by helping municipalities be more resilient in times of crises or disasters.

COMPONENT ONE: SUPPORT CRISIS PLANNING AND RAPID RESPONSE

The overall goal of the Preparedness and Planning team is to help municipalities be more resilient to crises and disasters. The team seeks to accomplish this goal by:

- Working closely with municipalities to build and institutionalize a disaster management system that addresses preparedness, response, recovery and prevention;
- Helping municipalities fulfill their legal obligations by creating (or updating) plans that make up a disaster management system: response plans for specific hazards, communication plans that include both first responders and technical specialists for specific hazards, and standard procedures for communication and coordination that apply in all emergency situations;
- Working with municipalities to institutionalize disaster management by involving local government in creating and adopting municipal planning ordinances and establishing and empowering a standing disaster management body;
- Helping to improve national government – local government disaster coordination;
- Helping to improve international agency coordination on issues of policy and dialogue with the Serbian government.

The Preparedness and Planning team challenges municipalities to apply knowledge and skills toward a goal: becoming a certified, "disaster-resilient" municipality. In order to achieve this distinction, a municipality must reach certain benchmarks that indicate its commitment to institutionalizing the disaster management cycle. Training, technical assistance and expanding the municipal learning network all support municipalities in achieving the benchmarks, as set out in the text box below ("10 Steps to a More Disaster Resilient Municipality"). The ultimate benchmark is conformance with law, administrative regulation or a government-ratified disaster management strategy that spells out uniform standards, structures and procedures that bind municipalities. Until the Serbian government adopts a new Law on Protection and Rescue or an alternative law or policy document that establishes a national framework, SCOPES helps municipalities fulfill – and holds them to – existing legal obligations while preparing them for a seamless transition to what will be their future requirements under new law.

A "disaster-resilient" municipality will have produced, updated and approved plans and standard procedures that enable it to cope with the hazards it is likely to face. It will have identified and secured resources to respond to any humanitarian emergency. Within the possibilities of prevailing law, a disaster-resilient municipality will have demonstrated initiative in proactively empowering a standing body to oversee preparedness and response. Its planned response to crisis will actively involve representatives of national and local government, civil society and the business community.

SCOPES' activities in support of national and municipal crisis preparedness and planning have benefited enormously from the work in the 14 original pilot municipalities over the first year, ongoing cooperation between civil society and municipalities in Nis to improve that city's preparedness, and work with Vojvodina provincial and municipal authorities. Among lessons drawn from the recent work, the Preparedness and Planning Team is much better able to identify the main drivers of a municipal government's engagement in planning activities; *i.e.*, what are its limits and capacity, and how the project should direct its assistance for the best results. Additionally, the project has established a network of competent Serbian professionals to take on the Preparedness and Planning capacity-building work with the municipalities under

SCOPEs' direction. This greatly increases the project's capacity to reach out to municipalities across the country.

Perhaps the most important development in the Component's work over the last year has been the articulation of a clear strategy and vision for work at the municipal level. The strategy holds a municipality to its legal obligations while *challenging local and national government representatives within the municipality to change their approach to crisis*. The Preparedness and Planning team advocates the "demilitarization" of disaster management through cooperation, open exchange of information between/among sectors and the institutionalization of a leading role for local government. It also advocates permanent preparedness over *ad hoc* response. To do so, SCOPEs uses new learning tools and an approach that facilitates its entry into a municipality, gauging its capacity and then monitoring its completed work.

1.1 PREPAREDNESS AND PLANNING :

ONGOING CRISIS PLANNING AND DEVELOPING EMERGENCY PREPAREDNESS SKILLS IN LOCAL GOVERNMENT, RELEVANT NATIONAL GOVERNMENT UNITS, AND CIVIL SOCIETY

Current context and results

Since submission of the initial Component 1 Work Plan in August 2006, significant developments have occurred in Serbia's international engagement in emergency preparedness and in national and municipal approaches to disaster management that demonstrate positive change and suggest the promise of systemic, long-term change. SCOPEs is well positioned to capitalize on this potential and to build on its contributions to making and supporting change.

International engagement

International initiatives that coincided with SCOPEs programming sent similar messages on the need for a coherent disaster management system in Serbia. The invitation extended in November 2006 to enter the Partnership for Peace provided Serbia with a strong foundation for international cooperation in exercises and joint disaster response.

It was also a new opportunity for Serbia's Ministry of Defense to demonstrate leadership and experience in civil protection, paralleling the longstanding opportunity that the Stability Pact's Disaster Prevention and Preparedness Initiative has provided Serbia's Ministry of Interior.

PREPAREDNESS AND PLANNING TEAM

10 STEPS TO MORE DISASTER- RESILIENT MUNICIPALITIES

- Assess current capacity (MEMCI).
- Ensure local buy-in (MoU)
- Identify specific hazards and provide support in planning for those hazards.
- Train in legal obligations, risk assessment and risk management, resulting in a specific-hazard Response Plan
- Train in communication and coordination, resulting in standard procedures
- Train in importance of local government/civilian role, resulting in local ordinance on standing disaster management body
- Train in regional disaster risk reduction models, resulting in a comprehensive plan according to current law
- Documents are vetted with experts and revised as needed.
- Conduct follow-up capacity assessment.
- Certify municipality as Disaster-Resilient.

Highly-publicized bilateral exchanges with the Ohio National Guard also demonstrated the U.S. Government's commitment to capacity-building in emergency response. Other multilateral and bilateral governmental initiatives, particularly by Norway, Denmark and, during the July 2007 forest fires, Russia, helped create a climate in which the international community appeared to be unanimous in providing Serbia support for crisis response, ongoing crisis planning and developing emergency preparedness skills. As a result, by taking part in SCOPES local-level initiatives, municipal crisis management team members can see themselves as part of a larger -- national, regional, even Euro-Atlantic -- process.

Public discourse

The need for a disaster management system that includes national and local actors, elected officials, technical experts and first-responders is now a subject of public debate in national- and local-level media. The discourse has, so far, been marked by reasoned statements on the importance of professionalism, sustainability, coordination among national actors and between national and local actors, as well as cooperation with citizens, humanitarian organizations and others outside government. The special role and responsibility of municipal governments in disaster management has figured strongly in coverage of the issue. SCOPES national interlocutors and municipal partners have actively sought media attention on the issue, participating in segments on local news, interview programs and, in Presevo, even a live, call-in TV show.² Although sometimes colored by institutional rivalry, discussions on disaster management that have appeared in print and broadcast media are remarkable for their apolitical character and examination of citizens' direct needs.

National policy

As described in the August 2006 *Crisis Response Capacity Assessment Report*, competing interests within the Ministry of Defense and Ministry of Interior still shape the form and substance of draft legislation on a national disaster management framework. In autumn 2006, a draft law granting extraordinary unilateral powers and authority to the Minister of Interior in crisis events entered parliamentary procedure but did not reach the floor for a vote. In spring 2007, the draft law was withdrawn for revision and renegotiation. SCOPES interlocutors in both ministries report now that political consensus has finally been reached to include some of the Ministry of Defense's Department of Civil Protection personnel within an expanded Ministry of Interior Sector for Protection and Rescue. Defining what will ultimately become a new Agency will, according to SCOPES interlocutors, depend on lessons learned after one or two years' experience within the expanded Sector and on political will to make appropriate resources and authority available to such an Agency. During this period of anticipated transition, the expanded Sector is looking forward to cooperation and assistance with SCOPES and other international actors.

Civil society engagement

Positive changes have also occurred in civil society. At the University of Nis, Faculty of Occupational Safety, a new Department of Disaster Management starts taking in its first degree program students this academic year. The Faculty acknowledges that the gap between academics and practical disaster managers is great and is looking abroad for new ideas and

² In this respect, USAID's instruction that SCOPES Preparedness and Planning activities maintain a low profile encouraged local ownership and helped convey the emergency preparedness message through local actors who voluntarily identified themselves as leaders on the issue.

approaches to help shape its programming to serve long-term professional development. A first step toward "town-gown" collaboration was the University's invitation to SCOPES municipal practitioners to be presenters and participants in an academic conference in June 2007. Professors from the University of Belgrade, Faculty of Security Studies, who have participated as experts in SCOPES activities are working informally with government decision makers to move forward negotiations on a new national legal framework for disaster management and to encourage application of disaster risk reduction and human security concepts. Also, with support from the International Federation of the Red Cross, the Red Cross of Serbia has trained 18 new tabletop simulation leaders, so that it can work with SCOPES capacity-building programming and expand the reach of municipal disaster preparedness.

Municipal engagement

In the Preparedness and Planning team's experience with over 30 municipalities³, examining the disaster management process has been a vehicle for dialogue on government responsibility for the safety and security of community residents. By looking at ways to prevent and respond to crisis, municipal teams explicitly address decentralization of authority and access to resources in their relationship with central government organs. Using a politically uncharged vocabulary, they also address the potential consequences of humanitarian crisis resulting from "population movement as a result of civil or social unrest." In FY 2007, SCOPES helped four municipalities in southern Serbia (Presevo, Bujanovac, Prokuplje, Medvedja) form new, functional crisis management teams, developed training modules based on regional and Serbian best practice and tailored to the legal obligations of local governments in Serbia, and trained 21 municipal teams in disaster management.⁴ With the support of local resource institutions (Red Cross, two risk assessment institutes and the Faculty of Occupational Safety), SCOPES obtained commitment from the leadership of Nis city's five constituent municipalities to develop implementation plans for the city's disaster management ordinance that has been dormant since 2002. In July and September 2007, 19 municipal teams drafted new action plans to improve their municipality's preparedness based on updated risk assessments. The action plans reflect that the most marked changes in SCOPES Component 1 municipalities – most of whose disaster management teams are "old school," Ministry of Defense/Civil Protection-driven – are (a) interested in applying new methodologies to planning, (b) support greater local government involvement in prevention and preparedness and (c) have a greater willingness to take local-level initiatives before a national law governing disaster management is passed. Exceptions remain, and some municipal teams are unwilling for political reasons or unable for capacity reasons to exploit the new, more aggressive approaches SCOPES presents in training.

³ In addition to the 26 municipalities that USAID has approved as participants in Preparedness and Planning capacity-building, SCOPES had by the end of July 2007 conducted baseline inquiries in eight other municipalities in Vojvodina and Eastern Serbia.

⁴ Organizational models and planning documents from SCOPES municipalities demonstrating a high degree of preparedness were used as examples of best practice in the training of Presevo, Bujanovac, Vranje, Novi Pazar, Sjenica, Tutin, Raska, Leskovac, Kursumlija, Prokuplje, Medvedja, Zrenjanin, Titel, Opovo, Sremski Karlovci, Irig, Indjija and Vrsac teams, as well as district/*okrug* level Civil Protection representatives from Vranje, Leskovac and Kraljevo. Special training on the application of risk assessment and vulnerability in natural disaster planning is scheduled for the "advanced" Krusevac, Kraljevo and Kragujevac municipal teams in an October 2007 training session.

Challenges

On many issues, local leadership and communities cope with the consequences of decisions made elsewhere, at the top of political parties, or in Belgrade, sometimes Novi Sad-Pristina-Podgorica-Skopje or even international circles. These, in turn, have the potential to affect Preparedness and Planning activities in municipalities. As described above, Kosovo's elections and decision on its status have the potential to trigger population movement or general social and political unrest. Presidential, Vojvodina provincial and local elections will likely be called during FY08, freezing initiatives and decision-making, such as the passage of municipal ordinances, and potentially resulting in a turnover of interlocutors. At the national level, passage of a new legal framework and reorganization of the national disaster management system will likely remain linked to security sector issues; security sector issues, in turn, remain linked to Kosovo status questions. Should a new national legal framework or strategy emerge, it would require revising the Preparedness and Planning component's training materials so as to ensure conformity.

Any of these events has the potential to delay or result in the cancellation of regularly scheduled activities, just as response, especially to a Surge event, would by necessity divert and draw on Preparedness and Planning team resources. During FY08, the team will conduct baseline capacity assessments and propose new municipalities as potential targets. A number of proposed municipalities will be non-reform, as currently categorized by Embassy policy. The pace of USAID review and approval/disapproval of these municipalities, particularly non-reform municipalities, as targets will also be a factor in the pace of project implementation.

Looking ahead

In FY08, the Preparedness and Planning team will expand the geographic range of programming and focus on the quality of emergency preparedness within each target municipality. The team will involve more actors, more publicly, in building professional development programming in disaster management and crisis prevention on which stakeholders can increasingly rely. Proposed FY08 programming also supports the establishment of norms (national and municipal legal frameworks), as well as development and/or application of standards of excellence (certified "disaster-resilient" municipalities, journalists' code of conduct, practical use of DPPI models).

The largest single portion of Preparedness and Planning resources is devoted to capacity-building. The objective of the training program is to help municipalities fulfill current legal obligations in emergency response planning while preparing them for a seamless transition to what, according to SCOPES best information, will be their future requirements under any new Law on Protection and Rescue. (At the same time, to promote greater awareness of the needs of municipal responders, SCOPES will assist municipalities and other actors to participate in public comment on the new law, provide decision makers modifying the draft law with copies of municipal "best practice" planning documentation and, in coordination with other participants in the Disaster Management Working Group, encourage the Serbian Government to accept technical assistance in establishing a national disaster management normative framework and system.) The goal of the training program is to certify "disaster-resilient" municipalities that can serve as exchange hosts and mentors within a learning network.

Work Plan Elements and Tasks

1.1.1 Assess crisis response capacity at the national level and in target municipalities in Serbia and Montenegro. COMPLETED.

This task was completed in August 2006, with the submission of the *Crisis Response Capacity Assessment Report*.

1.1.2 Develop an initial component work plan and revise the work plan as needed, initially quarterly and after one year, at least on a semi-annual basis.

- Revise Component I work plan as needed, based on findings and conclusions from semi-annual report.

The initial component work plan was submitted on August 15, 2006. This FY08 work plan will be revisited in March 2008.

1.1.3 Build capacity in target municipalities to effectively monitor and plan for a wide range of crises.

These elements describe municipalities' progression through Component 1 capacity-building programming. For ease of reference, the work plan elements are grouped under subheadings:⁵

Establish baseline profiles for target pool

- Conduct baseline MEMCI (qualitative and quantitative) in up to 44 new municipalities.
- Draft and submit selection memos for proposed new municipalities to be included in capacity-building activities.
- Orient expanded team of MEMCI interviewers.

After orientation on use and methodology of SCOPES Municipal Emergency Management Capacity Index (MEMCI) instrument, an expanded team of interviewers will conduct baselines in Vojvodina in October-November 2007 to expand SCOPES' familiarity with local conditions in municipalities that adjoin or share a common hazard with the seven Vojvodina municipalities included in SCOPES training as of the end of FY07. Nine more municipalities will be submitted for USAID approval in October and November 2007.⁶ In December 2007-September 2008, MEMCI baselines will be conducted in Vojvodina, southern, eastern and central Serbia from which an estimated 35 new candidate municipalities will be proposed to USAID for training to begin in FY09.

⁵ The subheadings themselves are not work plan elements.

⁶ The six target candidates proposed in October 2007 and three in November 2007 will include non-reform municipalities. Should USAID request substitutes for any of this group, new candidates would need to be surveyed.

Advance training strategy and resources

- Produce trainers' and participants' guide for Municipal Disaster Management course, focusing on best practice models.

In FY07, the Preparedness and Planning team developed new training modules in subjects described below. They incorporate best practice examples from municipalities participating in Component 1 activities, such as Krusevac's organization, roles and responsibilities in its standing Natural Disaster Team and Sremski Karlovci's Flood Defense Plan. Best practice developed under the Stability Pact Disaster Preparedness and Prevention Initiative (DPPI), including application of prevention in disaster risk reduction, is also used. Piloted four times in July 2007, the new course uses a participants' guide designed to serve as a resource collection that trainees can use as reference after the training. Trainers' and participants' guides that support municipal preparation of Response Plans will be produced in October 2007 for use in FY08 training.

Build knowledge and skills in emergency preparedness and planning

- Train municipal disaster management teams in seven subject areas: crisis identification and risk assessment; risk management and vulnerability; organizational roles and responsibilities; communication/coordination; information dissemination during crises; planning methodology; legal framework and its implementation for municipal teams.

Revised in FY07 to highlight the legal obligations of Serbia's local governments in emergency preparedness and response, the Municipal Disaster Management course provides participants with information and tools to prevent/plan for/respond to/recover from any natural disaster or manmade crisis. Each disaster management team can apply the tools to the specific conditions and hazards in its municipality. Special emphasis is placed in FY08 training on preventing crisis by establishing a permanent entity – the municipal "standing body" – that can devote attention and resources to disaster risk reduction. All 35 municipalities anticipated to be participating in this component in FY08 will be involved in training, networking and planning documents preparation in October-November 2007, January-March 2008.

Apply knowledge and skills in emergency preparedness and planning

The capacity-building program challenges municipalities to apply knowledge and skills toward a goal: becoming a certified, "disaster-resilient" municipality. In order to achieve this distinction, a municipality must reach certain benchmarks, or meet certain conditions, that indicate its commitment to institutionalizing the disaster management cycle. The optimum benchmark is conformance with law, administrative regulation or a government-ratified disaster management strategy that spells out uniform standards, structures and procedures that bind municipalities. Until the Serbian government adopts a new Law on Protection and Rescue or an alternative law or policy document that establishes a national framework, SCOPES helps municipalities fulfill – and holds them to -- existing legal obligations while preparing them for a seamless transition to what will be their future requirements under the new law.

The benchmarks or conditions set out here reflect (a) SCOPES' best current information on what a new Law on Protection and Rescue (or national normative framework) will require of

municipalities, (b) models developed regionally by DPPI participant countries, and (c) a local-level "mirroring" of Serbia's international commitments in emergency preparedness and response under the UN International Strategy for Disaster Reduction (UNISDR):

- Assist an anticipated 33 municipalities to complete Response Plan based on local priority.

The humanitarian needs that must be addressed in response planning for one type of emergency apply to all emergencies: transport, evacuation, shelter, food, water, hygiene, medical care, protection, special needs of the vulnerable (disabled, elderly, children, ill, others). In FY08, the training program uses as an exercise the development/updating of the municipality's Flood Defense Plan. As an applied learning exercise it challenges municipalities to use new risk assessment methodology and to anticipate appropriate humanitarian response. In the group of an anticipated 35 municipalities participating in component activities in FY08, all will have identified flooding as a hazard. It is anticipated that all 35 will meet at least one benchmark in FY08, but it is possible that two municipalities will not be able to complete a Response Plan by the end of September 2008.

- Assist an anticipated 31 municipalities to complete current communication / coordination elements of Response Plan.

Some municipalities have excellent technical plans, but the documents are static and lack communication and coordination elements. Responsible officers and phone numbers are missing or have not been updated. Provisions for mobilizing citizen assistance are missing. This benchmark challenges municipalities to operationalize their plans.

- Assist an anticipated 20 municipalities officially to empower by local ordinance or executive decision a Standing Body on Municipal Disaster Management.

A municipal "standing body" mirrors Serbia's international commitments to establish a national-level body that would oversee all aspects of the disaster management cycle. An early version of the draft Law on Protection and Rescue called for creation of a municipal "crisis center." Many SCOPES municipalities are likely to draft decisions establishing a "standing body" (its name will vary), but only some – for different reasons – will be able officially to adopt the decision and empower the Standing Body. This benchmark is the most challenging, in that it requires the mobilization of political will.

- Assist an anticipated 14 municipalities to complete a General Disaster Management Plan in keeping with Serbia's current legal framework.

The existing legal framework does not expressly prohibit adoption of a General Disaster Management Plan, but it also does not prescribe what it is. This benchmark acknowledges the commitment, innovation, responsibility to citizenry and professionalism of municipalities that have used their available resources and legal authorities to develop and construct a coherent local disaster management system in the absence of a coherent national system.

Because they require coordination, scheduling and resources not necessarily within the control of a municipality, the following are not benchmarks:

- Conduct tabletop simulations with Serbian Red Cross in four municipalities.
- Conduct two field exercises in emergency preparedness.

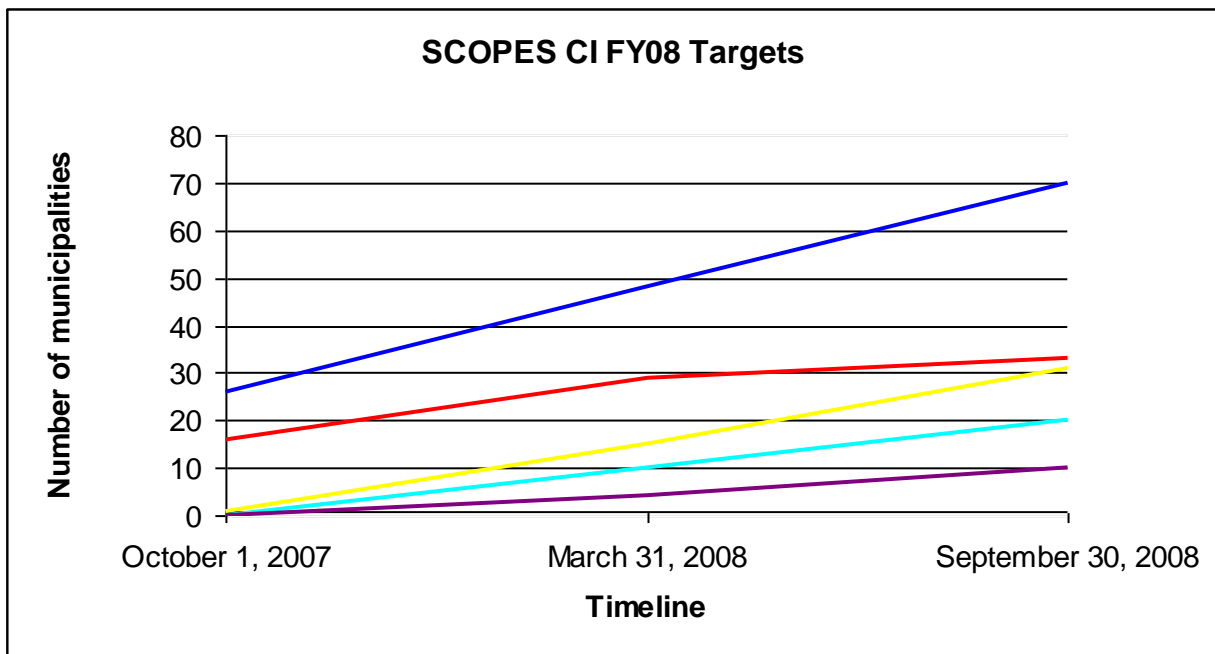
Four tabletop simulations will be conducted with the Serbian Red Cross in the period February-March 2008. Two public event field exercises are planned, one in April 2008, the other in June 2008.

Strengthen institutional framework for the municipality's disaster management system

- Certify 10 municipalities as "disaster resilient."

Initial benchmarks for certification are described above. To assure ownership and sustainability, technical experts from Serbian institutions will develop criteria for "disaster resilience" based on Serbian law and international standards and commitments. It is anticipated that four municipalities will be certified in December 2007 and six in September 2008. The table below summarizes FY08 anticipated municipal targets from candidate status to "disaster-resilient" certification.

	Target Date	Oct 01, 2007	Mar 31, 2008	Sep 30, 2008
	Component I Municipalities Approved by USAID	26	48	70
	No. of those that complete Municipal Response Plans (MRPs)	16	29	33
	No. of those MRPs with explicit and defined communication / coordination elements	2	15	31
	No. of Municipalities with drafted and approved local municipal response ordinances	3	10	20
	No. of Municipalities completing the SCOPES program and certified as "Disaster Resilient"	0	4	10



Monitor and evaluate progress, changes, results

- Conduct follow-up MEMCI interviews in municipalities that have completed one year in training.

In November-December 2007, MEMCI interviewers will return to the 14 municipalities that will have been participating in a year of Preparedness and Planning activities and will evaluate any changes. The findings will be reflected in the Semiannual Report.

1.1.4 Complete response plans with initial target municipalities within six (6) months of project start-up. COMPLETED

Thirteen municipalities submitted response plans on December 1, 2006. An updated description of municipal emergency management capacity, focusing on capacity to respond to a potential influx of displaced persons, was provided as part of the Semiannual Report, on April 20, 2007 and, updated again, on June 6, 2007, in advance of the visit of Mr. Douglas Menarchik. The original 13 target municipalities will continue to be included in FY 08 capacity-building and networking activities.

1.1.5 Build networks for crisis prevention, mitigation, and response including the Serbian national government, local governments, international actors, media outlets, civil society, the private sector, and citizens.

- Facilitate minimum of three exchanges between "best practice"/certified municipalities and learning municipalities.

By hosting exchanges, "best practice" municipalities become anchors of the learning network. Experience to date indicates that volunteering to host exchanges sparks friendly competition among municipal disaster management teams, positively reinforced by the opportunity to draw regional, national and international attention to their applied-learning achievements and their municipality's innovative solutions to preparedness challenges. Pending approval by municipal governments or assemblies and relevant line ministries, three municipalities have already volunteered to host events. These are tentatively scheduled for November 2007, April and May 2008.

- Conduct two Disaster Management Working Group meetings.

Co-chaired by SCOPES with the Office of the UN Resident Coordinator, the international Disaster Management Working Group will convene in plenary to offer technical assistance to the Serbian government in development of a national disaster management normative framework and system, as well as to explore options for coordination and cost-sharing among members on projects of common interest. Two meetings are anticipated, one in October 2007 and March 2008.

- Build capacity of Serbian institutions to play leadership roles in municipal-level disaster prevention, planning and preparedness.

Three Serbian institutions will be supported as lynchpins of a sustainable network of SCOPES municipalities and disaster management experts. Among their roles will be to design a professional development course in disaster management for non-academic practitioners, to organize a conference for municipal crisis teams at which a disaster event or series of events in Serbia is examined from a multidisciplinary perspective, and to develop of criteria for a "disaster-resilient municipality." The amount of grant funds to be used for this purpose will depend on the quality and scope of project proposals.

1.1.6 Build linkages between municipalities and relevant national actors to support crisis prevention and planning in accordance with Serbia's commitment to the Stability Pact's Disaster Preparedness and Prevention Initiative.

- Support community projects that demonstrate local-level application of DPPI models.

At the XV regional meeting of the DPPI, held in Zagreb on September 24-25, 2008, the Stability Pact initiative presented successful model projects and its priorities for the coming year. Recent successes include (a) cross-sector cooperation in large-scale international exercises, (b) cooperation of regional academic and scientific institutions to standardize seismic maps and (c) establishment of cross-border firefighting cooperation. At the regional meeting, DPPI accepted recommendations from its member states and advisory board to include greater emphasis on models of disaster risk reduction, in accordance with UNISDR commitments and principles.

Community projects that demonstrate these models at local level could include field demonstrations within municipalities or between/among municipalities that involve national-level actors and local actors; application of GIS or other methods to develop a vulnerability map of a specific hazard; public education on prevention; creation of multimedia material, suitable for broadcast, on disaster risk reduction at local level; co-

funding of a community project that manages a risk, such as marking fire exit paths in public buildings; or an interdisciplinary case study of a crisis event that can be used for professional development capacity-building. The number of projects to be supported and amount of grant funds to be disbursed will depend on the number and quality of projects. It is anticipated that DPPI staff and/or those trained in DPPI programming will participate in the selection of winners, and that application of models will reflect DPPI capacity-building priorities. At least two projects will be supported.

1.1.7 Provide training strategies in areas of local-level actor conflict analysis and management skills, media responsibility during crises, information dissemination during crises, and other

- Build capacity of journalists to promote code of conduct and professional excellence in local reporting on crisis events.

Municipal first responders have the opportunity within SCOPES training (1.1.3) critically to examine, among themselves, their internal and external communications approaches during crises. The three round tables proposed here for spring-summer 2008 offer local journalists the same opportunity: to look critically at their conduct in and coverage of crisis events and to identify ways to promote excellence in informing the public. Comment and reporting on the absence of a national disaster management framework is handled by security sector reporters in national media, but the bulk of actual coverage of crisis events is handled by local journalists in local or regional media. Local reporters as a rule are members of one or more professional associations - - such as Press Now, Local Press, ANEM, NUNS or UNS -- that serve as a means for information-exchange, professional development and, in particular, advocacy on professional ethics, standards and excellence. To build the capacity of local crisis event reporting and to raise awareness of the need for national media to focus more attention on local-level reporting, three local round tables of local journalists will be organized by national-level journalists with experience in covering crisis events. Among other things, they will examine the reporting of specific crisis events. In this way, critical examination of the content, quality and exposure of local crisis reporting is fostered within the profession, and momentum is built with editors and opinion-shapers within the profession to devote more attention, copy space and broadcast time to the issue. These parallel "introspective" exercises are intended as preparation for round tables on media-government relations in FY09.

- Design a youth peer mediator training program for implementation in crisis-affected and vulnerable communities.

Widely implemented in U.S. schools, including in the District of Columbia, peer mediation is an effective youth leadership model. Trained students help other students to resolve their differences when a conflict is brewing or has already occurred. Peer mediation recognizes that young people can utilize conflict resolution practices and social skills to play a leadership role in increasing peace and reducing violence in their schools and social structures. The training/role play/practice process is not short-term: students work directly with each other over months, even years. Several Serbian CSOs, as well as the Ministry of Education and Sport during the Djindjic-Zivkovic administrations, have developed projects such as Učionica dobre volje/"Classroom of good will," that train young people in recognizing, preventing and defusing conflict

situations. These projects have not been sustainable within school programming as a result of political and policy changes in the Ministry of Education. SCOPES proposes to work with CSOs (youth, educators' and peacebuilding organizations), as well as U.S. peer mediation trainers, to design a Serbian-context version of peer mediation training that can withstand shifts in Ministry of Education policy and, ultimately, equip a network of young people, including those who are not attending school, with the skills to reduce violence in their communities, informal settlements, and social structures.

1.1.8 Monitor on an ongoing basis changing political and social dynamics at municipal and national levels through polling, networking, or other appropriate means in order to assess the risks of conflict or civil crisis. (This includes, *inter alia*, monitoring developments in Kosovo that might lead to IDP movements in response to the Kosovo final status negotiation process.) Provide concise monthly reporting to USAID (that may be made available to other donors) on changing risks of social or political instability, the implications for surge capacity contingency planning, and, where appropriate, proposed activities to reduce tension or prevent conflict.

- Submit monthly reports.

Twelve reports will be submitted in FY08, each at the end of the month.

1.1.9 Develop assistance strategies for target municipalities that lack political will to engage in primary component activities or fall under USAID's restrictions on assistance to Serbia.

- Introduce SPHERE principles and program training to CSOs in appropriate municipalities

With partners pre-qualified for participation in "surge capacity," SCOPES will offer training to CSOs in SPHERE principles and other aspects of humanitarian response. The trainees will form a core group that can be called upon as an alternative aid network in non-reform municipalities, should this be necessary, to ensure that the municipality is prepared to respond to crisis in a manner in keeping with international humanitarian standards. Three training events are proposed for November 2007, March and May 2008.

**1.1.10 Develop a crisis response ("Surge Capacity") plan with USAID/Serbia.
COMPLETED**

Ongoing preparedness activities are described below, in Activity 1.2.

1.2 SURGE CAPACITY:

SUPPORT USAID RAPID RESPONSE IN THE EVENT OF A CRISIS THROUGH SURGE CAPACITY.

The purpose of SCOPES' Surge Capacity is to provide USAID the ability to rapidly and effectively respond to crises. Surge Capacity is not a part of the core funding of SCOPES but is a contract option. Up to \$10 million of additional resources can be obligated to SCOPES for disaster response. Resources could be used for direct purchases of commodities such as food, shelter and non-food items, technical assistance, and/or grants to local and international organizations in support of a disaster response.

In the absence of responding to a specific crisis, SCOPES has two primary responsibilities vis-à-vis Surge Capacity: 1) monitoring and reporting to USAID on potential or developing crises, and 2) preparing and maintaining the project's preparedness to respond to a crisis. In Year 1 of the program, the emphasis was on increasing the project's preparedness and ability to respond. Preparations included, but were not limited to creating operational plans for Surge execution, developing internal protocols, building networks with key local and international partners with experience in emergency response, and building local staff skills in such areas as situation monitoring and reporting and shelter assessments. A more detailed summary of Year 1 Surge preparation activities can be found in the table below.

Activity	Month
Coordination meetings with UNHCR(s) Serbia and Montenegro initiated	November
SCOPES Surge Capacity Plan for Serbia finalized	November
Surge simulation exercise conducted with project staff	December
SCOPES Surge Capacity Plan for Montenegro finalized	January
Pre-qualified 5 international NGOs as potential Surge grantee recipients	April
Pre-solicitation for food / non-food items for local vendors completed	May
All staff training in OFDA standard crisis monitoring completed	June
Surge Capacity Operational Manual compiled	June
Shelter assessments for Serbia and Montenegro completed	June / July
Roster of local STTA for possible surge use developed	Continuous

In Year 2 of the program, preparation activities will shift from the intensity of Year 1 to a mode of maintaining and updating SCOPES preparedness. This will be accomplished, to the maximum extent possible, through the use of locally available resources and staff, as described below.

OBJECTIVES AND WORK PLAN ELEMENTS

Objective 1: Monitor potential crises and report to USAID on potential or developing crises.

This objective is largely subsumed in objective 1.1.8, above (Provide concise monthly reporting to USAID on changing risks of social or political instability, the implications for surge capacity contingency planning, and, where appropriate, proposed activities to reduce tension or prevent conflict). Reports are submitted to USAID on a monthly basis. In addition, as rapid onset events occur (such as a flashflood or wildfire), SCOPES monitors such events on

an ongoing basis and provides USAID with written updates either upon request or at its own initiative.

Objective 2: Maintain SCOPES preparedness to respond to a crisis.

SCOPES preparation maintenance can be divided into three main categories: 1) network maintenance; 2) staff preparedness; and, 3) procurement preparation.

- Network Maintenance

Network maintenance entails regular contact with key interlocutors. These interlocutors include, but are not limited to, U.N. agencies (especially UNHCR and UNDP), Serbian central and local level officials, and international and local non-government organizations. Specific sub-tasks under this activity include:

- Continuation of regular coordination meetings with UNHCR/Serbia and UNHCR/Montenegro;
- Expand the roster of pre-rate approved local STTA (with a goal of having a 100 pre-approved consultant roster by the end of the work plan year);
- Conduct two orientation sessions for Surge roster consultants (November and April);
- Hold three Surge update roundtables with pre-qualified I-NGOs and local NGOs to review SCOPES Surge status and current NGO capacity.

- Staff Preparedness

Staff preparedness involves SCOPES internal efforts to maintain staff readiness to effectively respond to crises. During Year 1, activities included the creation of the Surge Capacity Plans and internal training on assessments and a simulation exercise. In Year 2, in addition to updating key documents, 3 one-day in-service sessions will be held for all staff. Specific sub-tasks under this activity include:

- Conducting SPHERE Principles and Protection training for all SCOPES staff (session #1); (November)
- Conducting a follow-up assessment capacities training using real situations (session #2); (December)
- Conduct a one-day tabletop simulation exercise (session #3); (May)
- Revise the Surge Operations Manual (October);
- Issue revisions of both the Serbia and Montenegro Surge Plans (November and December);

The assessment training (session #2) will offer staff an opportunity to practice assessing real situations that occurred within Serbia over the past year and writing Surge recommendation memos to USAID. SCOPES will request that USAID participate in the training. The best assessment / recommendation will form the basis of the third session in May, which will simulate the implementation of a surge response.

- Procurement Preparation

Procurement preparation involves maintaining contact with vendors of items or services that SCOPES may need to procure during a crisis and removing as many obstacles as possible to contracting with these vendors beforehand so that procurement during a crisis is as expeditious as possible. Specific sub-tasks under this activity include:

- Maintain a roster of local NGOs with current contact and capabilities information (continuous);
- Complete a pre-qualification solicitation for: a) construction material; and, b) transportation.

SCOPES will advise the CTO on all anticipated procurement needs as they might evolve, and possible waivers that have to be in place to ensure a quick response.

However, it should be noted that a) to the maximum extent possible, SCOPES will seek to work through local partners, thus avoiding the need for direct procurement; and, b) where direct procurement is required, SCOPES will seek to the maximum extent possible to make such purchases under the existing contract geographic code. The selection of shelter as a possible surge intervention area for SCOPES was selected with this in mind, as, under AIDAR 752.228.40, subpart E, local procurement is allowed for construction services "including construction materials" for local currency equivalents not to exceed \$5,000,000.

COMPONENT TWO: IMPROVE ECONOMIC SECURITY IN VULNERABLE AREAS (ECONOMIC SECURITY)

A. Current Context

We continue to work in our initial municipalities, seven of the most under-served in the country. Given the current political and economic situation in Serbia as a whole and particularly in our municipalities, we have seen that stability within the region continues to be an issue.

Vulnerable groups identified in FY07 – youth, the displaced, and the unemployed – still continue to be targeted by SCOPES with a slightly stronger focus on youth. The focus on specific vulnerable groups helps the project better target its interventions.

Our successful Business Plan Competition (BPC), organized in all seven municipalities as a way to launch the component, also provided us with significant information on important industry sectors in each municipality and a clearer idea of the level of entrepreneurship and entrepreneurial spirit among local citizens. It also identified potential partners to support program implementation. Our ES Team composed of both staff and STTA consultants is working with the owners of 41 winning companies to revise and turn their business plans into viable business ventures. We expect to generate 150 new jobs with the completion of the activities.

Financing their new ventures may be a challenge for some winners⁷ and entrepreneurs in general who cannot obtain bank loans and don't have sufficient personal capital to invest in their businesses. While more and more banks advertise SME loan programs, collateral for such loans continues to be an issue as well as high interest rates. State-sponsored development funds offer loans at incredibly low interest rates but still require collateral such as buildings, land, guarantor or bank account. Due to lack of a cadastre, many Serbs cannot prove ownership of land and buildings they have had for years. Current information on these funds is generally not available to the public far removed from Belgrade.

Aware of the need to move quickly into implementation, we identified seven targeted sub-sectors⁸ based primarily on the recommendations of our predecessor USAID projects (CRDA/CHF, CRDA/Mercy Corps and SEDP)⁹, other donors, and national institutions such as SIEPA, NES and various Ministries. Because both Novi Pazar and Kraljevo historically were manufacturing centers, we chose elements of this which were subsequently refined further into apparel and food. Apparel will be targeted in Novi Pazar and food processing in Kraljevo. Tourism assessments of Prijepolje and Medvedja are completed. The national fruit strategy is a key informer of our work in Kursumlija. High demand for mushrooms in particular and the availability of these and other forest fruits in the wooded mountains of Medvedja led to selection of this additional sector in a municipality that is isolated, has never been a finished products producer and has no operating state enterprises.

⁷ SCOPES grants/assistance of up to \$5000 is available to companies with 5 or fewer employees, and up to \$20,000 for companies with more than 5 employees. Entrepreneurs are expected to contribute to their business ventures that SCOPES is also supporting.

⁸ Dairy, food processing, mushrooms, fruit growing, fruit processing, apparel and tourism..

⁹ USAID programs presented their experiences and recommendations to our staff in November 2006, when representatives of national agencies (SIEPA, NES, Ministry of Labor, Employment & Social Affairs, and Economic Team for South Serbia) also presented their programs.

In each municipality, the identified industry sub-sectors show potential to grow and positively influence targeted vulnerable groups. Selected sub-sectors vary from municipality to municipality, and we have developed an appropriate approach for each municipality and each sub-sector in order to maximize impact. For specifics, please see **Appendix C**. We have undertaken more in-depth sub-sector/value chain analysis to ensure our interventions are more directed at gaps in the value chain.

We have conducted key meetings with producers, processors and sellers in different sub-sectors in each municipality to generate dialogue among stakeholders, identify common industry problems and propose potential interventions to solve those. In some municipalities, these were the first-ever such meetings to take place. The results of these dialogues have helped inform our FY08 work plan.

A core group of local trainers has been trained in business planning skills (basic business planning, marketing and communications, simple finance), as well as in basic training techniques, and is ready to work with us to develop targeted training. We have begun to identify local partners such as the Entrepreneurship Center in Kraljevo and new Presevo-Bujanovac Development Agency who can be called on to develop and implement selected project programs.

In addition to cooperating with new local partners, we have developed strong working partnerships with other donor programs, Republic agencies and others in both SCOPES areas of operation. These include but are not limited to UNDP MIR-2 and PRO, Swiss Development Agency in Kraljevo, Lux Development in Novi Pazar, SME Agency in Prijepolje, and Tourism Organization in Medvedja, Prijepolje and Bujanovac. To date, we have not been able to work with our most important Republic-level partner in the South, the Coordination Body. However, we look forward to renewing that relationship when its funding is established.

Looking to the near future, we expect close cooperation with two new USAID projects that will come online after the new fiscal year begins: GO-Serbia (competitiveness) and SNAgA (agriculture). We will work hand-in-hand with the project implementers to share our experiences and information and avoid any redundancy or duplication of efforts.

B. Major results and/or challenges during previous year

The success of our “Realize Your Dream” Business Plan Competition (BPC) gave SCOPES its most visible results and one of its biggest challenges. The BPC gathered some 700 persons at six¹⁰ news conferences and follow-up presentations and garnered 50 positive media references beginning in mid-February 2007. In addition to the extra effort to conduct seven competitions¹¹, BPC participation exceeded our most optimistic expectations. Staff reviewed almost 600 concepts papers in Round 1, accepting 135 for Round 2. Of those, 108 were submitted as full business plans. To help participants prepare solid business plans from their concepts, 13 STTA trainers conducted 54 training events covering business planning, marketing and communications, and finance. Forty-one winners were selected by a panel of professionals recruited from banking, finance, marketing and management¹². Winners were

¹⁰ Presevo and Bujanovac were combined and held in Bujanovac.

¹¹ FY07 Work Plan called for 2 BPCs.

¹² Alpha, Hypo Alpe Adria, EFG EuroBank and Raiffesen Banks; Pepsi Cola bottler for Serbia; Copernicus Capital; Idea Plus and Communis marketing firms. Two SCOPES Belgrade staff also reviewed.

announced by US Ambassador Michael C. Polt at a Belgrade event in late June. STTA consultants, both generalists and those with industry-specific experience, are assisting winners to develop action plans to accomplish their projects, identify SCOPES assistance and submit grant applications. Each SCOPES program officer is also working with a winner as on-the-job training to learn more about private sector needs and improve their analytic and writing skills.

Questions and comments during training as well as the business plan submissions provided additional insights into the needs of entrepreneurs. A better understanding of basic finance was the greatest need, and SCOPES is developing a hands-on financial training course that was recently piloted with Kraljevo winners. Financial training will be conducted in other municipalities in FY08. Better understanding of customer needs, marketing and communications also ranked high and is being addressed by STTAs working with winners and in the FY08 work plan.

Field Office work with supplier groups, especially those supplying BPC winners in targeted industries, is underway. For example, in Presevo and Bujanovac we're working with dairy groups that supply three BPC winning dairies, and in Kraljevo we're targeting TA to agricultural associations that will benefit from becoming cooperatives.

We recognized quickly that supporting too broad an array of vulnerable groups¹³ (VGs) would dilute our effectiveness. So the team refined our VGs without losing sight of others identified to USAID initially. Young people¹⁴ are Serbia's future and constitute a high percentage of the populations of five¹⁵ of our municipalities, but they see little or no future for themselves. Displaced persons with very low GDP are significant in two¹⁶ municipalities. Rural poor and unemployed (men and women) remain important VGs in all seven.

With SCOPES support, Serbian, Albanian and Roma young people in Medvedja recently registered an NGO to support youth-focused initiatives. We connected a core of interested Medvedja youth with a multi-cultural youth NGO in Bujanovac.

Support to Kraljevo Roma resulted from a question about electricity in one settlement addressed to Ambassador Polt at our initial project launch. Field staff met with Roma representatives, municipal officials, and the electric distribution company. Going forward, we will cooperate with UN groups undertaking a comprehensive housing solution for Roma in Kraljevo. In the meantime, in part as a result of our raising the visibility of the issue, electricity was restored to the settlement.

We took five Serbian and Albanian women entrepreneurs from Presevo, Bujanovac and Medvedja to their first conference in Novi Sad, the GTZ-sponsored "Business Powered by Women." The experience opened their eyes to the possibilities available to women entrepreneurs as well as introduced them to a supportive network previously unknown.

¹³ Vulnerable groups are defined as groups of people that are unable to adequately provide livelihood for themselves and / or their household for reasons of disability, illness, age or some other characteristic, and who are more likely than others in the general population to be either instigators or victims of political or social instability or violence.

¹⁴ SCOPES defines young people as those from high school age through age 27.

¹⁵ Youth in Novi Pazar, Prijepolje, Presevo, Bujanovac and Medvedja range from 29 to 42 percent of population.

¹⁶ Kraljevo with the highest number of displaced persons; Kursumlija with the highest percentage in Serbia.

We introduced Prijepolje's adventure tourism offerings to competitors and visitors from five countries through a grant to New Vision NGO. This NGO provided marketing support to the Tourism Organization of Prijepolje for an international river rafting competition, EuroCup Regional Liga, held in Prijepolje 14-16 July. More than 1000 people attended the opening ceremony. In addition to our grant, New Vision NGO also garnered sponsorships from local companies and the municipality.

More than 50 young people gathered on Goc Mountain in mid-August to learn more about living together in a multi-cultural world by living together in a multi-cultural summer camp. "Imam ideju" NGO in Kraljevo organized two weeks of discussions, theatre, sports and other activities to promote inter-cultural values and understanding and strengthen youth activism. This fall camp participants will organize multi-cultural events "Let the Gray Burst in Play" to enliven the gray housing blocks of their municipalities.

Experience from the past year has informed our approach in the upcoming year. Specifically, the Year 2 Work Plan (a) places a greater emphasis on activities focused on youth, (b) focuses on market integration as the primary tool for helping small businesses, and (c) provides for greater integration of 2.3 objectives into 2.1 activities.

C. Significant changes in approach, areas of emphasis and anticipated impacts in FY08

Although our overall market integration approach and focus on private sector development will continue, the primary change will be more differentiation of activities among the seven municipalities based on their targeted sectors and VGs. Using our early experience and recommendations of our predecessor USAID projects helped quicken our implementation, however we did not have sufficient information to effectively target interventions as we would prefer. Therefore, SCOPES has undertaken sub-sector analyses, and expects to complete analysis of all targeted sub-sectors as soon as possible. Status of this analysis is shown on the table below. Information gained through the sector analyses is being used to guide specific interventions in each municipality. The selected sectors, or value chains, for SCOPES focus in 2008 are: Dairy, food processing, mushrooms, fruit growing, fruit processing, apparel and tourism.

Table: Recent and On-going Sub-Sector Analyses in Seven Municipalities

Sub-Sector Assessment	Municipality	Expected Completion	Status / Notes
Tourism	Prijepolje	Completed	
Tourism	Medvedja	Completed	
Apparel	Novi Pazar	9/30	First draft submitted
Dairy	Presevo & Bujanovac	9/30	Consultancy underway
Food Processing	Kraljevo	10/31	Consultancy underway
Food processing	Novi Pazar	10/31	Consultancy underway (same as KV)
Fruit growing & processing	Kursumlija	10/31	Consultants Approved
Mushrooms	Medvedja	10/31	Approvals in process

The seven summaries here present a differentiated approach for each municipality. Each full strategy, including analyses, assumptions, opportunities and key results, is included in the Appendix C to this report.

BUJANOVAC: SCOPES will target the Dairy sector. There are two important constraints that need to be addressed - organization and hygiene, both are inter-related and important to the industry meeting EU standards. By organizing into cooperatives, the small (1-2 cow) farms can create collection centers, purchase testing equipment and lacto-freezers to improve milk quality, undertake joint purchasing of farm inputs, improve quality, sell in larger quantities and produce value-added products (such as a local cheese). SCOPES will work with existing dairy cooperatives and identify new supplier groups to help them be better organized and work jointly towards improving hygiene and quality of milk. On the other side, as the main customers for locally produced raw milk, three local dairies (in Bujanovac and Presevo) will be assisted in developing new products and capturing markets. The ethnic Albanian community in general has a more entrepreneurial history since its members could not rely on state jobs under the old system. Our approach will be to foster entrepreneurship and will have impact on (these vulnerable groups) rural poor, women, youth and redundant workers.

Kursumlija: SCOPES will target the fruit growing and fruit processing sector. Two important constraints are quality control and market knowledge/access. The project will work with existing cooperatives and identify new supplier groups that will produce salable (better quality) products. By working with food processing companies to address quality standards, marketing and product development, and to link them to new markets, SCOPES can help existing and new companies grow and expand employment and input purchases. These companies are the main customers for local farmers and the primary employers, especially during forest fruits season, for local vulnerable groups. The vulnerable groups that will benefit the most are rural poor, youth and IDP/Regugees.

Medvedja: SCOPES will target the sectors of wild mushrooms and tourism. According to recent reports (see appendices), Serbia has significant opportunities to increase its exports of mushrooms and berries. Because we saw significant interest during the Business Plan Competition, we are focusing first on wild mushrooms – but will not exclude potential opportunities that arise in berries and other forest fruits. Our “Assessment Report for Tourism Development in Medvedja Municipality” indicates strong potential. Rural and authentic tourism is a growing niche as more tourists seek the experience of staying in a home in a village. The majority of local accommodations are low level and minimal standards need to be introduced and move the market up “a star or two”. Associations are a good way to oblige and monitor standards and promote the offer. SCOPES will work with providers to do this. Finally, by working with the Tourism Organization of Serbia, we can help Medvedja gain a better image in Serbian tourism. Development of these two sub-sectors will have an impact on rural poor, women and youth.

PRESEVO: SCOPES will target the Dairy sector here as well, understanding that the sub-sector is similar to that in Bujanovac. Therefore, our approach will be as stated above, with an emphasis on building linkages among the three existing dairies across the two municipalities. It will have a similar impact on the same vulnerable groups.

KRALJEVO: SCOPES will target the food processing sector. Food processing in Kraljevo has potential to increase sales both domestically and for export. The key constraints are quality control and standard, market knowledge, access to national regional and international markets.

Through coordination with the Ministry of Agriculture and other donor projects and visits to other companies in Serbia who have implemented such controls, SCOPES will work to educate companies on food safety and quality control. We will introduce the companies to the larger domestic and regional markets through visits to trade fairs such as the Novi Sad Agricultural Fair, the largest in southeastern Europe. SCOPES has already identified supplier cooperatives and associations for support and can help them better understand market dynamics, meet quality standards and improve member services. Developing the food processing sub-section will target rural poor, redundant workers, youth and IDP/Refugees.

Novi Pazar: Scopes will target the apparel and food processing sectors. We have identified key constraints that we will address in each sub-sector. In apparel, employment and a lack of market understanding are the main constraints. Expectations are often inflated and skills (needs/demands) are often mismatched. Apparel companies lack an understanding of the apparel market and the necessity to transition into a more diversified production. By working with the Textile High School, Textile Union, NES and others, SCOPES can address skill and management issues. In food processing, key constraints are quality control and standards, market knowledge, and the access to national, regional and international markets. Through coordination with Ministry of Agriculture and other donor projects and visits to other companies in Serbia that have fully implemented such controls, SCOPES will work to educate companies on food safety and quality control. We will introduce the companies to the larger domestic and regional markets through visits to trade fairs, such as the Novi Sad Agriculture Fair, the largest in southeastern Europe. Advancing these sectors will most impact the following vulnerable groups: women, youth and redundant workers.

Prijepolje: SCOPES will target the tourism sector. Prijepolje is in a good position to take advantage of the growing markets for rural and authentic tourism and “extreme” sports, and can open its doors wider to international and domestic tourists and have a positive impact on vulnerable groups. Key constraints identified in the report are a generally low existing standard of accommodations, poor event management and lack of knowledge of customer service and expectations, marketing and promotion. By working with existing associations and TOP, SCOPES can help accommodations providers improve customer service, reach a higher quality standard, expand their offer and better promote their offer. The two main vulnerable groups who will directly benefit are women and youth.

Opportunities continue to be surfaced in each targeted municipalities including berry cultivation and harvesting, shoes and furniture. Some of these merit study and potential future support. We have developed the evaluation criteria listed below to help guide staff as to whether SCOPES will support an idea or not. We will only undertake those initiatives that meet two of the first three criteria and get a positive response to the last:

- Does it fit into the SCOPES strategy and have a clear connection to 2.2 or 2.3?
- Does it have a potential to positively affect a targeted vulnerable group (additional consideration is given this year for ideas that impact youth)?
- Is there a substantial cost share that demonstrates local commitment?
- Do we have the resources (sufficient time, available staff) to undertake the initiative at this time?

Once these general criteria have been met, more specific ones are applied, including environmental compliance, congruence with our programming principles, due diligence and site visit.

Most BPC winners will have submitted their grant applications by the end of September. At this time we believe the grant ceilings (\$5000 and \$20,000 based on employment) are adequate to make an impact. However, if necessary, we will evaluate and adjust the ceilings.

In addition to recommending five new municipalities (including VGs) for inclusion in the component in FY09, we propose to identify potential sub-sectors for targeting and to complete analysis needed to select one for each new municipality. This should provide us with a faster start in the new municipalities. We will also recommend a strategy for phasing out of three Year 2 municipalities during that year. Our biggest impacts in FY08 will be in the areas of:

- Increased economic activity via more and/or strengthened enterprises;
- Job growth and increased sales from assisted businesses and cooperatives;
- Increased integration of suppliers with processors, especially in targeted sub-sector;
- Greater business linkages between companies and cooperatives in our targeted areas with each other and with counterparts in greater Serbia and internationally;
- Young people who have begun to develop entrepreneurship or other employable skills;
- Vulnerable people who feel empowered to participate in municipal activities.

Economic Security Component Training and Technical Assistance Provision

SCOPES has articulated a framework for providing appropriate and consistent technical assistance to bring to bear across the complete spectrum of economic development (2.1) activities. The details of this concept are provided in Appendix B. The important aspect to understand in this presentation is that SCOPES tailors its approach to the three different segments of participants in the program:

- 1) **Businesses or Enterprises** - the focus in this case is on business, developing and strengthening business, especially those that generate employment, as well as the private sector firms that specialize in training and support to those businesses. The training and technical assistance consists of general business skills training, product-specific technical assistance, product-specific training and building business linkages. The vast majority of this in all four cases will be done by national professionals and SCOPES staff.
- 2) **Organizations, Governments and Associations** – here SCOPES directs assistance at building the capacity of institutions in government and out. Frequently, they are interested in general business and management skills as well. Other project support will include: action-specific technical assistance (e.g., economic planning), action-specific training (like advocacy) and building institutional and business linkages. This support will be provided by SCOPES staff, international experts and, by and large national professionals.
- 3) **Individuals** - the focus in this case is on people and participants, at on a large enough scale that merits project assistance. Support consists of general job skills training, industry-specific training, and linkages to relevant organizations. There is no TA per se for individuals. SCOPES will deliver support via local and national training institutions and appropriate partners.

These differentiations are incorporated directly into the presentation of the work plan elements below.

Work Plan Elements and Tasks

For Timeline, External Resources, Intended results and Coordination of task elements please see Table in Appendix A.

2.1 EXPAND ECONOMIC OPPORTUNITIES IN VULNERABLE AREAS

2.1.1 For each municipality, determine and implement the most effective program strategy for increasing economic security of vulnerable populations.

- Recommend 5 municipalities to USAID for addition to SCOPES program in FY09
- Develop a detailed strategy for each of the recommended municipalities (5).

2.1.2 Determine key sectors for program intervention through conducting competitiveness and livelihood analyses or using other appropriate analyses of target areas.

- Identify at least 1 targeted sector/value chain for each new expansion municipality
- Complete sector analyses for five new municipalities

2.1.3 Develop appropriate strategies to promote the growth of small, medium and micro-enterprises that would create jobs for and improve the economic security of vulnerable populations.

- ⇒ **Enterprise Level:** All seven municipalities
- ⇒ **Assoc/Org Level:** Kraljevo, Presevo, Medvedja, Novi Pazar, Bujanovac, Kursumlija
- ⇒ **Individual Level:** Kursumlija only (pilot effort)

- Use targeted competitions to introduce innovation that increases employment
- Conduct outreach initiatives to promote investments by Diaspora
- Build linkages for business development through supply chain events, entrepreneurship fairs and conferences.
- Increase access to private sector business service providers (BSPs) to support entrepreneurs
- Assist SMEs to secure information on and access to programs of government agencies, donors and others who support the SME sector

2.1.4 Develop marketable skills among workers, especially from vulnerable populations, through the support of appropriate training programs.

- ⇒ **Enterprise Level:** All seven municipalities
- ⇒ **Assoc/Org Level:** No activities in 2008 in this regard
- ⇒ **Individual Level:** All seven municipalities

- Support job training in priority trades and sectors
- Support education for young people on entrepreneurship and business.
- Train high school and university students in entrepreneurship skills through programs such as Junior Achievement.
- Build practical skills through apprenticeships and internships
- Initiate personal skills development training for youth in Medvedja and Kursumlija

2.1.5 Provide support to local businesses, financial institutions, cooperatives, and agricultural and other economic associations.

- ⇒ **Enterprise Level:** All seven municipalities
- ⇒ **Assoc/Org Level:** All seven municipalities
- ⇒ **Individual Level:** No activities in 2008 in this regard

- Deliver technical assistance and training to companies in 7 municipalities. Firm-level private sector support across targeted sub-sectors and municipalities remains the heart of our strategy.

Firm-level private sector support across targeted sub-sectors and municipalities remains the heart of our strategy. In FY07 we identified better understanding of clients, marketing and communications, and finance as priorities. A financial training course piloted in August 2007 will be implemented in each municipality in FY08, and PR and communications training shortly after. Other training and TA will be offered based on needs identified by clients. For example, assessment of the three dairies in Presevo and Bujanovac showed that they all need TA from a food technologist not only to develop new products but also to ensure consistency and improve quality of existing products. This service is not available locally.

- Provide technical assistance and training to supplier groups, associations and cooperatives to make product improvements, expand markets and increase member services

Consistent quality and quantity of supply is a frequent weak link in our value chains. Our interventions will be tailored to meet those needs by working with identified supplier groups, associations and cooperatives. For example, mushroom collection agents want to establish formal collection center and a cooperative in Bujanovac-Presevo to ensure quality and increased quantity of a product that is in high market demand. The group will need TA to form the coop and to organize the collection centers and establish proper management and

procedures of a business that will support many vulnerable people. Existing agricultural coops in Kraljevo want to ensure consistent product quality by establishing standards and a brand. They will need TA in setting produce standards, understanding branding regulations and promoting the brand as requirements for serious production.

- Assist Regional Chambers of Commerce in Nis and Leskovac to establish associations of entrepreneurs in Kursumlija and Medvedja
- Assist SMEs to participate in regional, national and international trade fairs
- Support introduction of relevant quality certification programs (HACCP, ISO) and development of a industry recognized “Quality Seal.”
- Facilitate discussions between banks and entrepreneurs about new credit instruments that support SMEs

2.1.6 Develop public/private partnerships to promote local economic development

- ⇒ **Enterprise Level:** Medvedja, Prijepolje
- ⇒ **Assoc/Org Level:** No activities in 2008 in this regard
- ⇒ **Individual Level:** All seven municipalities

- Promote Junior Achievement model as public/private partnership between high schools and private sector
- Establish pilot public/private partnership among vocational-technical schools, NES, business community in Kraljevo and in Novi Pazar to meet market demand for specific skills
- Promote corporate sponsorships as a model of public/private partnership to support special events, trade fairs, festivals and conferences

2.2 IMPROVE LOCAL GOVERNMENT RESPONSE TO COMMUNITY NEEDS

2.2.1 Build local government capacity to support improved economic opportunities.

- ⇒ **Assoc/Org Level:** All seven municipalities

- Establish/strengthen Local Economic Development offices in each municipality (7)

Our focus will be on helping LED offices be more responsive to the needs of vulnerable groups. Where another donor program has a mandate to establish an LED office¹⁷, we will partner with it, identifying our role and abiding by its time frame. In other municipalities with ongoing donor-supported LED initiatives¹⁸, we will actively identify ways to partner with them to create an LED office and/or further train existing LED staff in addressing the needs of vulnerable populations. The emphasis will be given to

¹⁷ MEGA in Kraljevo and Prijepolje

¹⁸ UNDP-PRO in Novi Pazar and Prijepolje; UNDP-MIR2 in Medvedja, Presevo and Bujanovac

on-going activities to better understand the needs and to include representatives of vulnerable groups in discussion and decision making processes. Local representatives of SCOPES, MEGA, UNDP and MSP already coordinate their efforts, identifying role and responsibilities.

When establishing an LED office, SCOPES will generally rely on the successful methodology of USAID's municipal economic growth project and other donors such as UNDP. Gaining local commitment – will be central to a decision to proceed. Then we will follow the MEGA model: training mayors and municipal presidents in the importance of LED and LED office functions, establishing a task force for LED office, assessing the current situation, defining the LED office and preparing a draft budget, re-designing municipal administration (Assembly adoption if necessary), remodeling and equipping LED office, selection employees, conducting opening ceremony, helping with preparation of annual plan and budget and continuous monitoring.

Where a municipality already has an LED Strategy or General Development Strategy, SCOPES will help the LED Office implement at least one priority project, such as development of an Industrial Zone or Business Improvement District (BID). Where no plan exists, SCOPES will assist the LED Office in using the nationally accepted World Bank methodology in developing one. The LED Offices will mainly support SME development since many of SCOPES municipalities are not prepared for large foreign investors. Where appropriate, SCOPES will help a municipality prepare an investment presentation.

Expected results are increased jobs through SME development and a more favorable business environment; more public/private partnerships such as BIDs and greater cooperation among schools, local government and the private sector; and increased opportunities for investment as municipalities become more attractive to investors and understand better how to work with them.

2.2.2 Improve capability in local government to provide citizen services, particularly in vulnerable populations.

⇒ **Assoc/Org Level: All seven municipalities**

- Improve delivery of social welfare services and job creation policies/measures for vulnerable groups (7)

Centers for Social Welfare in Serbia (which are devolved units of a central government ministry) and particularly in poor and underdeveloped municipalities such as SCOPES targeted municipalities are not well integrated with the efforts of other actors at the local level dealing with the needs of the most vulnerable populations. They are heavily dependant on government funds that are very limited and have knowledge in fundraising/partnering. An additional problem is the lack of innovative ideas in solving problems of vulnerable people and very often this is limited to provision of basic social care, without looking at more sustainable long term solutions.

SCOPES in partnership with EMIS will help Centers in all municipalities to come up with innovative approaches in better integrating their efforts with other actors (e.g. local administration, NGOs) and solving problems of vulnerable groups, based on models developed and implemented in other European countries. This includes trainings and networking for

centers and will require inclusion and partnership with other local stakeholders such as local government, NGOs, training providers, vocational schools and the business sector. This activity will result in more integrated approach at the local level in serving beneficiaries of social care, aiming at more sustainable solutions through, for example, vocational trainings, self-employment, fundraising, strategic partnerships and networking. At least one appropriate model will be implemented in each municipality.

2.2.3 Support improved transparency and accountability to citizens, including information dissemination and communication strategies.

⇒ **Assoc/Org Level: All seven municipalities**

- Implement pilot public information campaign to increase participation in municipal budget hearings (4)

2.2.4 Increase access to decision-making processes and services for target populations.

⇒ **Assoc/Org Level: In only two municipalities in 2008**

- Implement a pilot program in municipal action aimed at reducing poverty and actively supporting clearly defined vulnerable groups (2 municipalities, based on Kraljevo model)

The Municipal Coordination Body for Social Work (OKOSP) formed in Kraljevo two years ago provides a “representative consultancy” model for municipal action aimed at reducing poverty and actively supporting clearly defined vulnerable groups. This body includes 11 representatives of NGOs, health care and is financially supported by local government to address needs of the elderly, people with special needs, and vulnerable children and families. For example, last year OKOSP has managed and implemented several activities in providing people with special needs with marketable skills, mainly through appropriate vocational trainings. All was done in cooperation with the private sector, resulting in new jobs for vulnerable people. We will introduce this concept to municipal leaders in our other municipalities and plan to implement in at least two. This activity will be closely linked with Task 2.2.2.

2.3 EXPAND BROAD-BASED CIVIC PARTICIPATION

2.3.1 Implement activities to engage citizens, vulnerable populations, and civil society organizations (including NGOs, business associations, etc.) in local economic decision-making processes at the municipal level.

⇒ **Assoc/Org Level: All seven municipalities**

- Build capacity of Economic Working Groups (7) to advocate for policies and initiate activities that will make their municipalities more attractive to private sector development

2.3.2 Promote responsible reporting in the media in order to encourage social inclusion and fairness and avoid aggravating crisis situations.

SCOPES proposes to develop a documentary that will jointly promote USAID and its work in the targeted municipalities and show news media how to approach such feature stories in a way that encourages social inclusion and fairness yet doesn't compromise their journalistic integrity. One or at most two beneficiaries will be selected from each municipality with an eye for representing our targeted industries, targeted vulnerable groups, the scope of our Work Plan activities – particularly using our BPC winners to illustrate various aspects of what we are doing (job training, new product development, internships, etc.) but not limited to them. An experienced marketing firm or production house will be selected to produce the documentary with the caveat that a local journalist must be involved in each municipality. The central producer/director will work with the local journalist to develop the story over time, providing one-on-one mentoring as well as an introductory workshop on implementation. The final documentary may be shown in its entirety or broken into more focused segments for broadcast throughout Serbia, locally or regionally.

2.3.3 Support civil society organizations (including NGOs, business associations, and religious groups) through grants or mentoring to better address the obstacles facing vulnerable groups.

⇒ **Assoc/Org Level: All seven municipalities**

- Develop/fund challenge grant program for NGOs, business associations and religious groups to address specific obstacles of vulnerable people (at least two per municipality)

Through a detailed Annual Program Statement (APS) to be published in December 2007, SCOPES will invite NGOs, business associations, religious groups and other civic groups to submit project proposals specifically aimed at having a positive impact on vulnerable groups. Focus will be given to programs targeting social inclusion of youth, poor, minorities, IDPs and Refugees and creation of relationships among SCOPES targeted municipalities and other better developed municipalities in Serbia. An illustrative example could be a youth NGO, organizing a multiethnic and multicultural event that can improve the reputation of the municipality, promote the local economy, and, on the other side, create an environment for exchange of ideas among different ethnicities and social groups and point out difficulties of vulnerable groups within particular municipality.

Based on FY07 experience (for example a multi-cultural summer youth camp on Goc Mountain and a cross-border rafting competition in Prijepolje) and guidelines for grants in the FY07 Work Plan, the range of grants should remain the same – most projects will receive up to \$20,000. Detailed evaluation criteria will be developed and published with the APS. The basic evaluation criteria will include:

- Impact on targeted vulnerable group
- Compliance with SCOPES programming principles
- Replicable and innovative approach
- History and institutional capacity of the applicant(s)
- Efficiency on use of resources and provided cost share
- Environmental impact

PROJECT MANAGEMENT

In an effort to most effectively execute the program per the proposed work plan, a few adjustments will be made immediately to the organization and execution of our program. The staff will organize their work primarily into four operational teams: Economic Security Team, Preparedness and Planning Team, Program Support Team and Finance and Administration Team. The overall management of the program will reside with the COP and DCOP.

Overview

The work of SCOPES, manifested in our work plans, will continue to be done through three main component areas: Economic Security, Preparedness and Planning and Surge Capacity. These efforts will be divided into two teams: The Economic Security Team and the Preparedness and Planning Team. The Surge Capacity effort will continue to exist, but will operate during non-crisis periods within the Preparedness and Planning (P&P) Team. The field offices will continue to represent an extremely important element of our program by providing us with staff “on-the-ground” in some of the most challenging environments for the SCOPES program in Serbia. The work of the field offices will be almost exclusively focused on delivering the Economic Security (ES) component of the program. The P&P Team will be managed from Belgrade, as well as the Program Support Team and the Finance and Administration Team. The Program Support Team and the Finance and Administration Team will have members located in the field offices, under the daily supervision of the Field Office Managers (FOMs).

Economic Security Team

The Economic Security Team will be responsible for delivering our economic programming to the seven target municipalities (to be expanded to 12 at the beginning of FY09) that are supported by the Vranje and Novi Pazar field offices. The field offices of Vranje and Novi Pazar will dedicate themselves primarily to the delivery of Economic Security programming. The core ES Team consists of Program Officers based in the field offices and one in the central Belgrade office. One Program Officer in each field office, Vranje and Novi Pazar, serves also in the capacity of Field Office Manager (FOM). The field offices will be managed by the FOM. The FOM will be responsible for representing SCOPES Senior Management in the field, effective administration of the field offices, and assisting the management team in achieving agreed upon program results for their respective area of responsibility. The FOMs will be directly supervised by the ES Team Leader.

The Economic Security Team will add one additional Program Officer to the Vranje field office. Each field office will then be staffed by three Program Officers (including the FOM) and one Program Assistant, in addition to the support staff. SCOPES will also recruit for a new Program Officer (or similar level) position to actively coordinate the activities under 2.3 of the Task Order, Expand Broad-based Civic Participation. This position may be based in any of the SCOPES three offices. The intention is to provide greater attention to this area of the program while simultaneously allowing the ES Team Leader and members of the core team to more actively focus on the other two main elements of ES programming (2.1 and 2.2).

Preparedness and Planning Team

The Preparedness and Planning Team will provide all substantive support in the area of Preparedness and Planning in the target municipalities. Logistical and Administrative support will be provided by the field offices to the P&P Team members and the FOM will be kept well informed of activities, in order to continue to perform the representational responsibilities associated with that position. Importantly, the operational aspects of P&P will be largely removed from the responsibilities of the field offices (which will be primarily focused on ES program delivery).

Within the Preparedness and Planning Team, the DCOP has been assigned an operational role in planning, execution of plans, quality control and management of resources within the team. The Team Leader continues to be responsible for the overall technical approach, training and other intervention content, technical innovations, outreach and institutional development strategy. In order to better implement the Year Two Work Plan and allow for greater accountability, the Program Officers assigned to the team have been assigned specific elements of the Work Plan for which they are responsible. These broad areas are: Municipal Interventions (1.1.3); National Interventions (1.1.5 and 1.1.6); Monitoring and Quality Assurance; Reporting (1.1.8); and Surge Readiness (1.2).

Program Support Team

The overall purpose of this team is to ensure high quality, efficient support of SCOPES Programming to enable the ES and PP (including Surge Capacity) Teams to implement their work in the field. The team has a diverse set of skills, including Monitoring and Evaluation, Grants Management, Public Relations/Communications, and Training Delivery. This Team will be directly supported by the COP. The members of the team will each have clear areas of responsibility in SCOPES program execution and be able to respond directly to requests from other SCOPES teams. As a team, they represent a pool of resources that can be more flexible and, therefore, more responsive to shifting needs and priorities of the program.

Finance and Administration Team

The Finance and Administration Team is a project support function. The Administration and Finance Team will continue to report directly to the Deputy Chief of Party (with the exception of the Internal Auditor, who will report directly to the COP). This team is composed of finance, human resources, general administration, information technology, logistics, security and cleaning staff and is a common pool of resources that supports the other three teams. There are some second tier reporting structures within this team. Within the Belgrade team, the Accountant reports to the Finance Manager and the Receptionist, Security Team and Cleaning Staff report to the Senior Office Administrator. In the field offices, the administrative staff is required to collaborate closely with their other team member across office lines but report directly to the Field Office Manager.

Organizational Charts

Please see the accompanying organizational charts to assist in understanding the structure being put into place. The three charts represent:

1. The overall SCOPES project structure;

2. The Component I team responsibility matrix;
3. Component I STTA resources in support of municipal interventions (1.1.3 and 7) (in Appendix B)

A similar Component II team responsibility matrix is forthcoming.

Team Leader Transitions

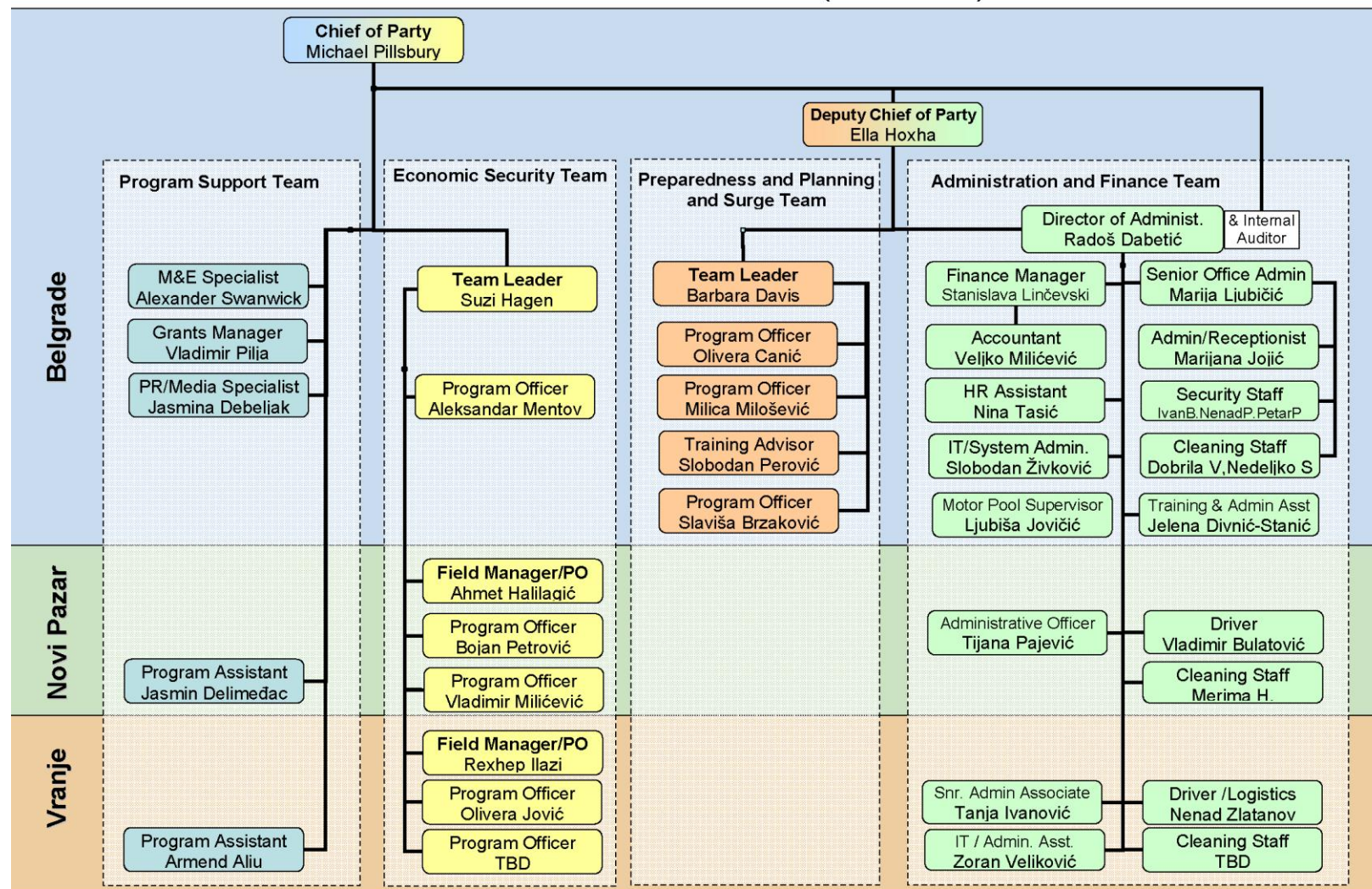
By project design, the expatriate team leaders are scheduled to phase out over the coming year. To date, exact departure dates have been left unspecified intentionally, reflecting the pace of implementation and the development of professional staff within each team. Project management expects to develop a transition plan for each team no later than December 2007. Optimally, there will be an overlap period between the time when the team leader relinquishes management responsibility and a local staff assumes that responsibility when the expatriate team leader will serve as a technical advisor / mentor to the local team leader.

Office Locations

The current field offices in Novi Pazar and Vranje are well positioned to serve and support the Component II operations and will continue to serve this role in Year 2. While at the present time, project management does not plan on opening any additional offices, it may consider doing so if it makes programmatic sense – for example if a cluster of Component I municipalities is chosen in the far East or far West / Northwest of the country. In considering the establishment of any satellite offices, SCOPES would seek to minimize cost to the project by (a) co-locating with a project partner to the maximum extent possible, and (b) limiting the amount of time that such an office would operate.

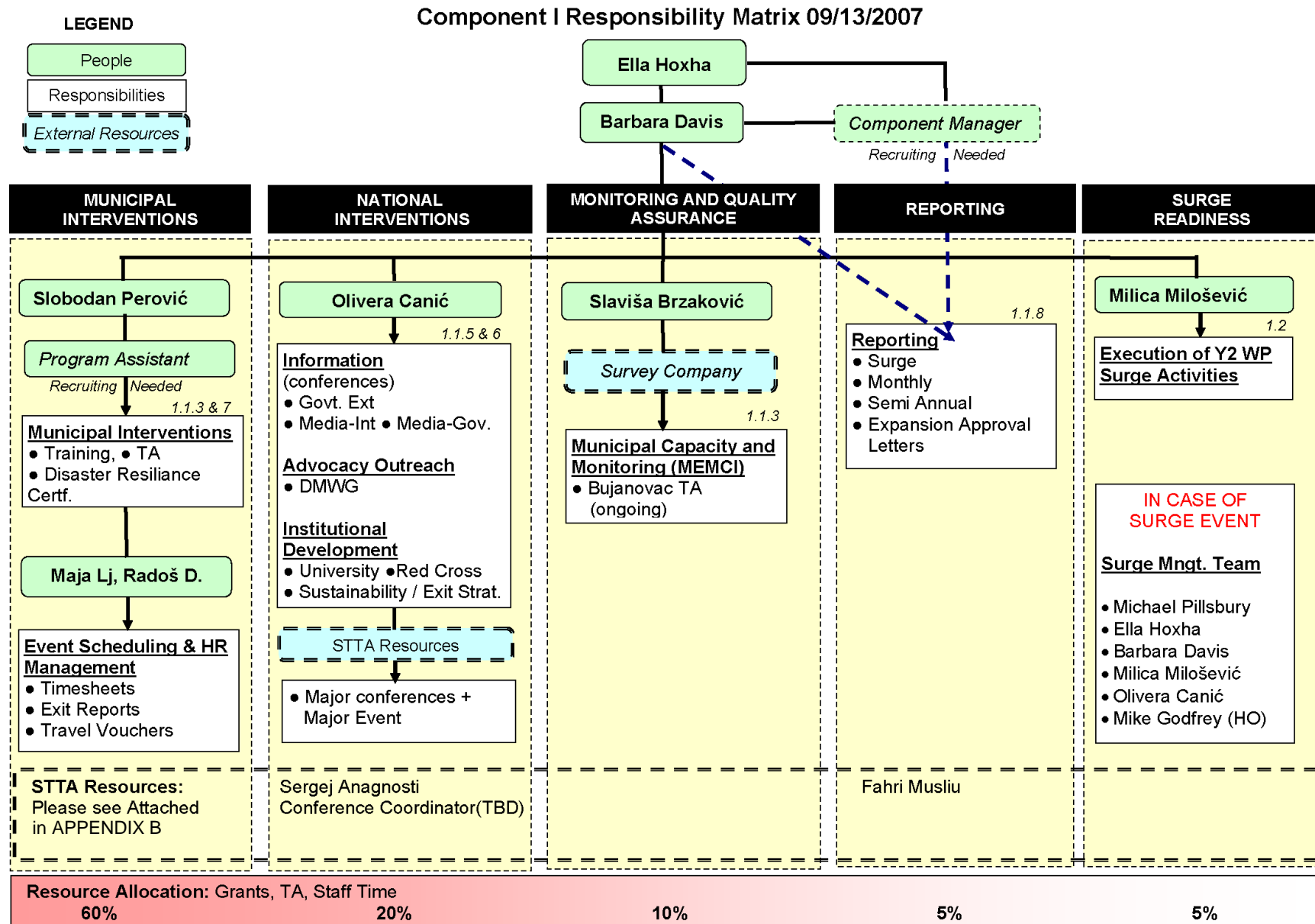
REVISED SCOPES ORGANIZATIONAL CHART

SCOPES ORGANIZATIONAL CHART (October 2007)



DAI/BETHESDA: Technical Backstop: Mike Godfrey, Project Associate: Steven Seigel, TAMIS Specialist: Pavla Cornejo, Project Accountant: Wendi Jackson

COMPONENT I RESPONSIBILITY MATRIX



APPENDIX A:

PROPOSED TIMELINE, INTENDED RESULTS, EXTERNAL RESOURCES AND COORDINATION

PREPAREDNESS AND PLANNING

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07	'08										
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1.1.1 Assess crisis response capacity at the national level and in target municipalities in Serbia and Montenegro.														
1.1.2 Develop an initial component work plan and revise the work plan as needed, initially quarterly and after one year, at least on a semi-annual basis.														
► Revise Component I work plan as needed, based on findings and conclusions from semi-annual report	Revised work plan	-						●						
1.1.3 Build capacity in target municipalities to effectively monitor and plan for a wide range of crises.														
► Conduct baseline MEMCI (qualitative and quantitative) in up to 44 new municipalities [C/w: municipality officials, public enterprises rep's, SRC and MEMCI interviewees]	up to 44 sets, or 264 interviews	STTA	●	●	●	●	●	●	●	●	●	●	●	●
► Draft selection memos for up to 44 new municipalities, submit for USAID approval [C/w: municipal authorities]	44 municipalities proposed	-	●	●						●	●	●		
► Conduct ToT for expanded team of MEMCI interviewers [C/w: M&E providers]	4 trained interviewers	STTA, subcontract			●									
► Produce trainers' and participants' guide for Municipal Disaster Management course, focusing on best practice models [C/w: technical experts]	Trainers' and participants' guide	STTA	●						●					
► Conduct trainings in seven subject areas: crisis identification and risk assessment; risk management and vulnerability; organizational roles and responsibilities; communication/coordination; information dissemination during crises; planning methodology; legal framework and its implementation for municipal teams [C/w: trainers, DM teams, technical experts, municipal authorities]	35 municipalities trained in seven subject areas	STTA, grants, subcontract	●	●		●	●	●						

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07						'08					
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
► Assist 33 municipalities to complete Response plan based on local priorities <i>[C/w: trainers, DM teams, technical experts, municipal authorities]</i>	33 response plans completed	STTA			●									●
► Assist 31 municipalities to complete communication/ coordination elements of Response plan <i>[C/w: trainers, DM teams, technical experts, municipal authorities]</i>	Communication/ coordination elements of 31 response plans completed	STTA			●									●
► Assist an anticipated 20 municipalities to adopt Standing Body for Disaster Management protocol <i>[C/w: trainers, DM teams, technical experts, municipal authorities]</i>	Standing Body for DM decision drafted in 20 municipalities	STTA			●									●
► Assist 10 municipalities to complete a General Disaster Management Plan in keeping with legal framework <i>[C/w: trainers, DM teams, technical experts, municipal authorities]</i>	DM plan in keeping with legal framework drafted in 10 municipalities	STTA			●									●
► Conduct tabletop simulations with Serbian Red Cross in four municipalities <i>[C/w: SRC, IFRC]</i>	4 simulations conducted	STTA, cost sharing					●	●	●	●				
► Conduct two field exercises in emergency preparedness <i>[C/w: municipal first responders]</i>	2 field exercises conducted	grants, cost sharing							●		●			
► Certify 10 municipalities as "Disaster resilient" <i>[C/w :Faculty of Security Studies, technical experts]</i>	10 municipalities awarded as "disaster resilient"	STTA, grant			●									●
► Conduct follow-up MEMCI for municipalities that have participated in the program <i>[C/w: municipality officials, public enterprises rep's, SRC and MEMCI interviewees]</i>	14 municipalities, up to 90 interviews	STTA, subcontract	●	●	●									
1.1.4 Complete response plans with initial target municipalities within six (6) months of project start-up.														

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07			'08								
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1.1.5 Build networks for crisis prevention, mitigation, and response including the Serbian national government, local governments, international actors, media outlets, civil society, the private sector, and citizens														
<p>► Facilitate minimum of three exchanges between "best practice"/certified municipalities and learning municipalities</p> <p>[C/w :Municipal crisis teams]</p>	3 "best practice" host events held	STTA		●					●	●				
Conduct two Disaster Management Working Group meetings C/w: [Disaster Management Work Group organizations]	2 DM WG meetings held	-	●				●							
<p>► Build capacity of Serbian institutions (3) to play leadership role in municipal disaster preparedness and prevention</p>	3 institutions strengthened to sustain municipal capacity-building	grants-			●									
1.1.6 Build linkages between municipalities and relevant national actors to support crisis prevention and planning in accordance with Serbia's commitment to the Stability Pact's Disaster Preparedness and Prevention initiative														
<p>► Support community projects that demonstrate application of DPPI models</p> <p>[C/w:: TBD]</p>	2 projects supported	grants						●		●			●	
1.1.7 Provide training strategies in the following areas: local-level actor conflict analysis and management skills, media responsibility during crises, information dissemination during crises, and other areas as needed														
<p>► Support three journalists' round tables exploring lessons learned and best practice in reporting on crises.</p> <p>[C/w:: journalists]</p>	3 round tables	grants, sub-contract;						●		●		●		
<p>► Design a peer mediation training program</p> <p>[C/w: TBD]</p>	Program designed that is applicable in Serbia	grants						●						
1.1.8 Monitor on an ongoing basis changing political and social dynamics at municipal and national levels through polling, networking, or other appropriate means in order to assess the risks of conflict or civil crisis. Provide concise monthly reporting to USAID on changing risks of social or political instability, the implications for surge capacity contingency planning, and, where appropriate, proposed activities to reduce tension or prevent conflict.														

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07						'08					
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
► Submit monthly reports	12 monthly reports submitted	STTA	●	●	●	●	●	●	●	●	●	●	●	●
1.1.9 Develop assistance strategies for target municipalities that lack political will to engage in primary component activities or fall under USAID restrictions on assistance to Serbia														
► Introduce SPHERE principles and program training to CSOs in appropriate municipalities <i>[C/w: pre-qualified surge capacity partners and up to 10 CSOs]</i>	3 events held	grants, STTA;		●			●			●				
1.1.10 Develop a crisis response ("Surge Capacity") plan with USAID/Serbia.														

		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1.2	SURGE CAPACITY Maintain SCOPES preparedness to respond to a crisis												
	<i>Network Maintenance</i>												
-	► Continuation of regular coordination meetings with UNHCR/Serbia and UNHCR/Montenegro;	●	●	●	●	●	●	●	●	●	●	●	●
-	► Expand the roster of pre-rate approved local STTA (with a goal of having a 100 pre-approved consultant roster by the end of the work plan year);	●	●	●	●	●	●	●	●	●	●	●	●
-	► Conduct two orientation sessions for Surge roster consultants		●					●					
-	► Hold three Surge update roundtables with pre-qualified I-NGOs and local NGOs to review SCOPES Surge status and current NGO capacity.			●					●				
	<i>Staff Preparedness</i>												
-	► Conducting SPHERE Principles and Protection training for all SCOPES staff (session #1)		●										

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07			'08								
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2.1 EXPAND ECONOMIC OPPORTUNITIES IN VULNERABLE AREAS														
2.1.1 For each municipality, determine and implement the most effective program strategy for increasing economic security of vulnerable populations.														
<ul style="list-style-type: none"> ► Recommend 5 new municipalities to USAID for addition to SCOPES program in FY09 ► Develop a detailed strategy for each municipality <i>[C/w: USAID Mission, municipal leaders, relevant donors & ministries]</i>	5 municipalities identified	STTA								●	●	●		
2.1.2 Determine key sectors for program intervention through conducting competitiveness and livelihood analyses or using other appropriate analyses of target areas.														
<ul style="list-style-type: none"> ► Identify at least 1 targeted sub-sector/value chain for each new expansion municipality ► complete sector analyses for each of the recommended municipalities (5) <i>[C/w: USAID, relevant donors, ministries & Republic institutions]</i>	5 targeted sub-sectors/value chains in new municipalities	STTA								●	●	●	●	
2.1.3 Develop appropriate strategies to promote the growth of small, medium and micro-enterprises that would create jobs for and improve the economic security of vulnerable populations.														
<ul style="list-style-type: none"> ► Use targeted competitions to introduce innovation that increases employment ► Conduct outreach initiatives to promote investments by Diaspora ► Build linkages for business development through supply chain events, entrepreneurship fairs and conferences. ► Increase access to private sector business service providers to support entrepreneurs ► Assist SMEs to secure information on and access to programs of government agencies, donors and others who support the SME sector ► Use targeted competitions to introduce innovation that increases employment <i>[C/w: USAID, UNDP, relevant Republic institutions/ministries (eg, Agriculture, SME Agency, Coordination Body), municipal counterparts]</i>	Increased jobs among targeted VGs, Increased business activity and more enterprises,	STTA, Grants, Purchase of Services,	●	●	●	●	●	●	●	●	●	●	●	●

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07			'08								
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2.1.4 Develop marketable skills among workers, especially from vulnerable populations, through the support of appropriate training programs.														
<ul style="list-style-type: none"> ▶ Support job training in priority trades and sectors ▶ Support education for young people on entrepreneurship and business. ▶ Train high school and university students in entrepreneurship skills through programs such as Junior Achievement. ▶ Build practical skills through apprenticeships and internships ▶ Initiate personal skills development training for youth in Medvedja and Kursumlija <p><i>[C/w: USAID, UNDP, NES, chambers of commerce & industry trade groups, vocational schools, businesses]</i></p>	young people trained in marketable job skills, high school & post-high school students trained in entrepreneurship,	Grants, STTA, purchase of services	•	•	•	•	•	•	•	•	•	•	•	•
2.1.5 Provide support to local businesses, financial institutions, cooperatives, and agricultural and other economic associations.														
<ul style="list-style-type: none"> ▶ Deliver technical assistance and training to companies in 7 municipalities. Firm-level private sector support across targeted sub-sectors and municipalities remains the heart of our strategy. ▶ Provide technical assistance and training to supplier groups, associations and cooperatives to make product improvements, expand markets and increase member services ▶ Assist Regional Chambers of Commerce in Nis and Leskovac to establish associations of entrepreneurs in Kursumlija and Medvedja ▶ Assist SMEs to participate in regional, national and international trade fairs ▶ Support introduction of relevant quality certification programs (HACCP, ISO) and development of a industry recognized "Quality Seal." ▶ Facilitate discussions between banks and entrepreneurs about new credit instruments that support SMEs 	companies , cooperatives and associations strengthened, and stronger in markets, more participation in trade fairs, certification programs enhanced, new SME access to financing	STTA, Grants, Purchase of Services	•	•	•	•	•	•	•	•	•	•	•	•

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07			'08								
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<i>[C/w: USAID, UNDP¹⁹, relevant Republic institutions/ministries²⁰, municipal counterparts]</i>														
2.1.6 Develop public/private partnerships to promote local economic development.														
<p>► Promote Junior Achievement model as public/private partnership between high schools and private sector</p> <p>► Establish pilot public/private partnership among vocational-technical schools, NES, business community in Kraljevo and in Novi Pazar to meet market demand for specific skills</p> <p>► Promote corporate sponsorships as a model of public/private partnership to support special events, trade fairs, festivals and conferences</p> <p><i>[C/w: JA, local entrepreneurs, EWGs, high schools, BSPs, news media]</i></p>	companies and schools involved with JA; new partnerships for training, increased corporate engagement with LED	Purchase of Services, Grants, STTA	●	●	●	●	●	●	●	●	●	●	●	●
2.2 IMPROVE LOCAL GOVERNMENT RESPONSE TO COMMUNITY NEEDS														
2.2.1 Build local government capacity to support improved economic opportunities.														
<p>► Create/strengthen Local Economic Development offices in each municipality</p> <p><i>[C/w: COORD: USAID, UNDP, municipal leaders]</i></p>	7 municipal LED offices created / strengthened	Grants, STTA	●	●	●	●	●	●	●	●	●	●	●	●
2.2.2 Improve capability in local government to provide citizen services, particularly in vulnerable populations.														
<p>► Improve delivery of social welfare services and job creation policies/measures for vulnerable groups in each municipality</p> <p><i>[C/w: Municipal leaders, local NGOs, EWGs]</i></p>	7 municipal assessments completed & 7 welfare offices strengthened	Grants, STTA							●	●	●	●	●	●
2.2.3 Support improved transparency and accountability to citizens, including information dissemination and communication strategies.														

¹⁹ In all references, UNDP means the locally implemented program, currently MIR-2 in the South and PRO in Novi Pazar and Prijepolje.

²⁰ In all references, this may include (but is not limited to) Ministry of Agriculture, Ministry of Economy, SME Agency, Coordination Body, National Employment Service, and SIEPA.

Activity/Task/Task Element Coordination with [C/w:]	Intended Results	External Resources	Timeframe											
			'07			'08								
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
► Implement public information campaign on budget hearings <i>[C/w: EWGs, USAID/CSAI]</i>	Increase in attendance at budget hearings	Grants, Purchase of Services					•	•	•	•				
2.2.4 Increase access to decision-making processes and services for target populations.														
► Implement a pilot program in municipal action aimed at reducing poverty and actively supporting clearly defined vulnerable groups (2 municipalities, based on Kraljevo model) <i>[C/w: USAID, UNDP]</i>	Social Council in at least 2 municipalities	Grants, STTA									•	•	•	•
2.3 EXPAND BROAD-BASED CIVIC PARTICIPATION														
2.3.1 Implement activities to engage citizens, vulnerable populations, and civil society organizations (including NGOs, business associations, etc.) in local economic decision-making processes at the municipal level.														
► Build capacity of Economic Working Groups (7) to advocate for policies and initiate activities that will make their municipalities more attractive to private sector development <i>[C/w: USAID, UNDP, municipal leaders]</i>	7 EWGs recognized as advocacy-enabled	Grants, STTA	•	•	•	•	•	•	•	•	•	•	•	•
2.3.2 Promote responsible reporting in the media in order to encourage social inclusion and fairness and avoid aggravating crisis situations.														
See Component 1, Task 1.1.7(this is a SCOPES-wide activity led by that team)														
2.3.3 Support civil society organizations (including NGOs, business associations, and religious groups) through grants or mentoring to better address the obstacles facing vulnerable groups.														
► Develop/fund challenge grant program for NGOs, business associations and religious groups to address specific obstacles of vulnerable people (at least two per municipality) <i>[C/w: Other donors, NGOs, business associations, religious groups]</i>	20 programs supported	Grants			•	•	•	•	•	•	•	•	•	•

Appendix B: SCOPES Training and Technical Assistance Model

During its first year of implementation, SCOPES has acquired significant experience in delivering the short term technical assistance (STTA) and the training under the two components: Preparedness and Planning, and Economic Security. This allows the project to intervene much more purposely and in a planned manner across the full range of activities anticipated for both.

Training and STTA are essential elements of the SCOPES implementation plan, delivering critical support to local governments, institutions, enterprises and individuals. They represent sizeable portions each of the resources the project can bring to bear for its local assistance programs – either through grants or subcontracts. It is therefore important to organize and deliver these elements in a consistent manner. The SCOPES Annual Training Plan for FY08 was submitted on August 29, 2007. This Appendix provides the organizational concept for training and STTA for both components. Using these as frameworks, the SCOPES team will first estimate when and how to propose either STTA or training, and also as a base in seeking USAID approval for these interventions.

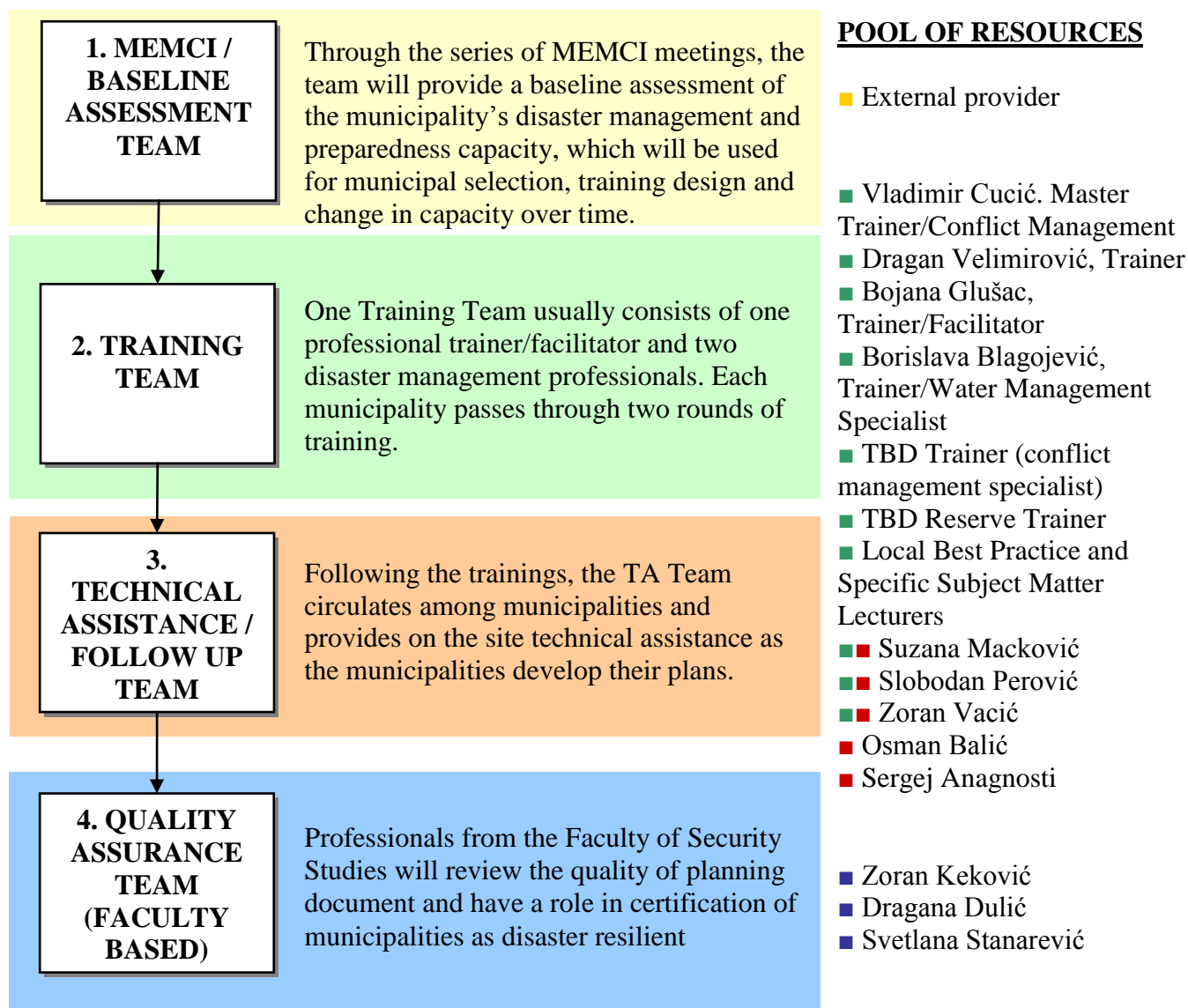
Diagrams of both component frameworks are included on the next pages. The basic concept of each is as follows:

- The **Preparedness and Planning Component** uses a four-step model that is standardized for each municipality. This approach was refined over the course of the first year. Based on their degree of previous experience and preparation, municipalities will have access to more or less support, depending on priorities developed jointly during an assessment with SCOPES. The four steps or phases are: MEMCI assessment, training, targeted technical assistance, and quality assurance follow up visits. It is important to know that all of the municipal interventions draw on the SCOPES staff or national professionals with expertise in each of those areas to complete the work. In fact, SCOPES has drawn up already a standard roster of outside consultants currently available to do this work. This list would change only minimally over time as individual consultant status varies.
- The **Economic Security Component** has a similar “package” of STTA and training. In its case, the component looks to deliver standard services to businesses, institutions and individuals – these being the three major groups of participants in the program. Each of those groups has both a basic and a group specific kind of training. Each of those groups has activities to build networks and linkages across industry and sectors and municipalities. Only business participants and institutions can receive STTA. Individuals would not qualify for this support, rather the organizations supporting them would qualify for this. As in the case of Component I, almost all of the STTA and training will be delivered by national professionals and organizations. The SCOPES staff will also offer limited tailored support. However, international consultants will be used only on very specific cases as required and only where national capacity is lacking. Having just begin its main implementation activities, and because its services are more complex, Component II is not as advanced in designated known consultants or approved business development service providers as above.

The SCOPES senior management team is committed to building local capacity through preferred use of local professionals and institutions in its work. It will require however, on SCOPES FY2008 Work Plan

occasion, international expertise (STTA) for planning, capacity-building, strategy, evaluations, monitoring and surge. These will be fully justified to USAID on a case-by-case basis.

Preparedness and planning: Role of STTA in Municipality Interventions



Economic Security: Concept and Organization training & STTA

Enterprise (Business)

- Basic Training for Enterprise finances, business management, sales & marketing, negotiations, communications
- Sector or Product-Specific TA (ex: dairy, tourism, processing, etc)
- Sector or Product-Specific Business Training (ex: study tour, trade fair, courses, exchanges, etc)
- Network Building & Linkages

Source: local Business Development Services and local/national technical professionals; SCOPES Program Officers; very limited or no expatriate STTA

Local Governments, Organizations, Associations ***

- Basic Training for Organizations: organizational management, communications, general business skills
- Action-Specific TA (ex: events, marketing, economic planning, job creation etc)
- Action-Specific Organizational Training (ex: advocacy, policy, enabling business, twinning, exchanges, tours, etc)
- Association Building & Linkages

Source: local Institutional Development Services and local/national technical professionals; SCOPES Program Officers; Some expatriate STTA as required

Individuals

- General Individual Training: Job Search Skills, Literacy/Numeracy, Computer Training
- Industry-Specific Skill Training (via: internships, apprenticeships, short courses, vocational-technical schools, etc)
- Membership in Local Professional Associations & Networks

Source: local and national technical training institutions, schools, centers; NES; SEDTA; organizations, (ex J.A), where would no STTA for individuals

*** Associations include cooperatives which may qualify well for support as an enterprise and may receive assistance similar to that of enterprise; also included are municipal economic working groups as a principal target for SCOPES assistance at the local level

APPENDIX C: Individual Municipal Strategies (7)

ECONOMIC SECURITY STRATEGY OVERVIEW

BUJANOVAC MUNICIPALITY

Primary Vulnerable Groups	Selected Industry Sub-sector
<ul style="list-style-type: none"> ▪ Youth ▪ Rural poor ▪ Redundant workers ▪ Women ▪ Roma 	<ul style="list-style-type: none"> ▪ Dairy

RATIONALE AND BACKGROUND:

Bujanovac's economy was heavily focused on the manufacturing sector. However, the closure of state-owned enterprises (SOEs) has had a devastating impact on the local economy. Bujanovac suffers from widespread unemployment, and many skilled workers have gone abroad to find work. Currently, one of the main sectors in Bujanovac is **agriculture**: 28% of Bujanovac's national income comes from agriculture.²¹ For the foreseeable future, the economy will be based on agriculture. **Dairy**, livestock, vegetables and fruits are sub-sectors within agriculture that have potential to realize the most expansion, job creation and general economic prosperity. Of these, dairy and fruits show the most potential to positively influence vulnerable groups. Based on predecessors' work, SCOPES started in the dairy in FY07.

Initially we had also selected **tourism** because Bujanovac is home to natural spring waters, a spa and several important sites with potential in tourism development and is located on Corridor 10. However, because the potential impact we can have in the near-term is minimal, we have decided not to pursue this.

Key drivers of **instability** in Bujanovac are a sense of disconnection/isolation from the rest of Serbia and continued ethnic tension between ethnic Serbs and ethnic Albanians. Albanian business people feel as if their products cannot be sold outside the local area.²² Significant past financial support has come to the municipality through the Coordination Body but is not perceived as coming from the Republic government. The long lag in this year's allocation and small amounts released to date have likely exacerbated the feeling that Belgrade has forgotten about the South.

Our **market integration approach** seeks to address this by helping local businesses and small producers (many who are from the identified vulnerable groups) link into external markets while we help them improve the quality of what they produce. To decrease the insularity, we will physically take local people to study tours and trade fairs outside their areas to experience alternatives. SCOPES will encourage inclusion by not targeting specific ethnic groups for activities in an effort not to add to ethnic tensions.

Strengths:

Bujanovac has a long tradition in milk processing. Local producers understand the need to improve their production. Local dairies are working towards standardization. Processors and producers are cooperating among themselves, and cooperation with partners from Vranje and Leskovac already exists. The Ministry of Agriculture has identified the need and requested

²¹ State Statistical Office. 2004 Data.

²² Although both attitudes are present in Bujanovac, neither is as hardened as in nearby Presevo.

support to assist local dairies in the transition from basic milk products to value-added dairy products. There are also very good natural conditions for fruits, any kind but with the specific attention in natural forest fruits such as blueberries.

Weaknesses:

Farms are very small and not commercially oriented; hygiene is on a very low level. Very often domestic laws are not respected, international standards are far away. Very limited knowledge on standards and need for those. Processors are not focused on particular value-added product or market. Little or no domestic or export market knowledge.

Approach:

Based on a number of existing reports as well as observations and discussions with industry interlocutors, there are two important **constraints** that SCOPES can address that will also have a positive impact on targeted vulnerable groups. They are organization and hygiene, which are inter-related and important to the industry meeting EU standards. By organizing into cooperatives, the small (1-2 cow) farms can create collection centers, purchase testing equipment and lacto-freezers to improve milk quality, undertake joint purchasing of farm inputs. Quality improvements and selling in larger quantities from a collection center can help increase milk prices. A cooperative may also want to produce value-added products (such as a local cheese), rather than selling raw milk, which increases income.

SCOPES will work with existing dairy cooperatives and identify new **supplier groups** to help them be better organized and work jointly towards improving hygiene and quality of milk. On the other side, as the main customers for locally produced raw milk, three **local dairies** (in Bujanovac and Presevo) will be assisted in developing new products and capturing markets. Development of sector will have impact on:

- **Rural poor.** Most people involved in milk production are rural residents without alternative sources of income. Therefore, raw milk sale is their primary livelihood source. Enabling this group to have a more reliable and increased income will be the primary impact.
- **Women.** Traditionally cow farms are managed by women but this work is perceived as “something they would do anyway,” not valued as contributing to household income. Involving these women into real commercial farming will improve their position in society as well as improve family income.
- **Redundant workers.** Many redundant workers returned to villages and got into agriculture, although they may not have been trained as farmers. Allowing them to improve their farming and secure permanent income from agriculture will dramatically improve their livelihood and make them less susceptible to any political influences.
- **Youth.** Young farmers from Bujanovac municipality will be specially targeted as they are the leaders of change. They understand better the importance and need to improve the current status of farming. Successful young farmers will serve as role models to other young people who lack faith in better future, reducing the likelihood of instability.

Additionally, the ethnic Albanian community in general has a more entrepreneurial history since its members could not rely on state jobs under the old system. Our approach will be to foster entrepreneurship, especially among youth and regardless of ethnicity, as an option that can provide a satisfying, rewarding career.

EXPECTED RESULTS:

The primary results will be increased linkages between micro-enterprises of all types supported by SCOPES and other actors in the dairy sub-sector, increased number of micro-enterprises taking part in a USG-supported value chain and increased support of private sector by USG assisted sources. As farms become more commercially oriented, new businesses are formed, cooperatives develop and local dairies expand, new jobs will be created.

OPPORTUNITY:

According to the “European Fresh Fruit Market Report” and discussions with our senior consultant and others, (1) Serbia has significant opportunities to increase its exports of fresh fruits and (2) Bujanovac has an abundance of two desirable export fresh commodities: wild mushrooms and berries. As a result, SCOPES is investigating further **forest fruits** (beginning with wild mushrooms and berries) as a secondary sector in Bujanovac. Preliminary investigation has identified possible partners for developing supplier groups for fresh sales and eventually value-added product producers. Quality, safety/health standards and collection centers will be key issues to address. Value-chain analysis is being undertaken before a final decision is made at the end of September. Forest fruits show strong potential for positive impact on vulnerable groups since many “pickers” are poor rural residents of all kinds.

Our overall approach to wild mushrooms and berries will be similar to that described with dairy suppliers. They need to form collection centers and address quality and health/safety standards and sustainability while linking processors to external markets. Value-added products may also be possible as at least one large firm has capacity to support that development and already exports.

CHALLENGES:

Social inclusion and improved economic security for large **Roma** community (many of them IDPs) in Bujanovac are particular challenges that SCOPES will try to address by ensuring that any training, event or project we sponsor is open to and publicized within the Roma community. Although we will not address the issue of the isolation of ethnic Albanian women in general, we will continue to reach out to ethnic Albanian business women, as we did with the “Business Empowered by Women” conference.

Many ethnic Albanians in Bujanovac have limited Serbian language skills and even more limited English skills. This can limit “export” opportunities. Where feasible, SCOPES will provide materials, training and technical assistance in Albanian (as we did with the Business Plan Competition). However, Serbian is the official language of the country and USAID requires English for its documents.

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs²³,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Conduct targeted competitions to induce innovation that increase employment and support these with training on effective proposal development (2.1.3)
- Build linkages for business development by assisting companies to attend study tours and/or trade fair outside municipality (2.1.3)

²³ See Appendix A for details

- Build business linkages by developing regional entrepreneurship fair in cooperation with Bujanovac Fair (2.1.3)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support SME sector to facilitate growth (2.1.3)
- Deliver training/TA on branding and marketing to assist dairies to diversify product mix and improve marketing (2.1.4)
- Deliver targeted TA to selected companies with specific opportunities(2.1.4)
- Provide grants to support specific opportunities, such as BPC winners' projects
- Monitor BPC winners

Supplier groups (cooperatives, associations):

- Deliver TA to form cooperatives from supplier group or association to improve supply chain (2.1.5)
- Deliver “Basic Training for Cooperatives,²⁴” five workshops open to all associations and cooperatives to strengthen these organizations (2.1.5)
- Use specific extension materials for new crops, such as cultivated berries or mushrooms in coordination with Agricultural Extension Service and agricultural university and/or high school (2.1.5)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Assist cooperatives and associations to secure information on and access to programs of government agencies, donors and others who support their growth (2.1.3)
- Build supply chain linkages by developing regional supply chain fair with appropriate partners (2.1.3)

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)
- Partnering with Higher School of Business in Presevo (which is attended by students from throughout the region) and others, introduce and build awareness of entrepreneurship among post-high school students (2.1.4)
- Establish public/private partnership to support job skills training in at least one TBD category, in cooperation with NES and others (2.1.4; 2.1.6)
- Build practical job skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

²⁴ See Appendix A for details

ECONOMIC SECURITY STRATEGY OVERVIEW

MUNICIPALITY KURSUMLIJA

Primary Vulnerable Groups:	Selected Industry Sub-sector:
<ul style="list-style-type: none"> ▪ Youth ▪ Rural poor ▪ IDPs/ Refugees 	<ul style="list-style-type: none"> ▪ Fruit growing ▪ Fruit processing

RATIONALE AND BACKGROUND:

Kursumlija shares a long boundary with Kosovo. The municipality received thousands of IDPs from Kosovo in 1991 as a consequence of the Kosovo conflict and also accepted numerous refugees from the wars in the early 1990s. Because of Kursumlija's geographic isolation and lack of economic opportunities, only the poorest of the IDP/ refugee population have remained there. Historically, manufacturing played a large part in the municipality's economy. However, the closure or collapse of state-owned enterprises has left a devastating impact on the local economy. Kursumlija suffers from feelings of abandonment by the rest of Serbia, a general depression (lack of motivation as well as economic) and widespread unemployment, forcing people to try to find alternative sources of income. Natural predisposition has allowed local farmers to get into development of fruit sector. Fruits are one of the most profitable sub-sectors in agriculture, and the market shows increasing need, especially for fresh fruits. Based on the work of our predecessors, SCOPES selected **fruit growing and fruit processing** as its targeted sub-sectors. Value-chain analysis is scheduled to be undertaken and completed in September.

The key driver of **instability** in Kursumlija is around its fragility. Extreme poverty coupled with lack of motivation to improve conditions makes people more susceptible to negative influences. Any action in Kosovo will have an immediate impact on Kursumlija due to its geographic position.

Reaction in Kursumlija to SCOPES Business Plan Competition and to previous efforts of other USG-supported projects has been underwhelming. However, by using a **market integration approach** and identifying a few "champions," SCOPES can motivate producers and growers to link with external markets and help them secure greater economic benefits. We will take them to study tours and trade fairs to help them see and experience new ways of doing things. We will also focus more on young people, helping them to gain marketable skills and linking them with potential employers through job fairs, internships and apprenticeships.

Strengths:

A few entrepreneurs have recognized the opportunity and understand that the fruit industry can help develop the whole municipality. Natural conditions are very good for fruit growing. Several large cold stores, large mushroom processors and value-added prune processing already exist. People are slowly beginning to understand how the market works. Market demand for fresh fruit is growing, including exports. Processed fruit, especially as value-added specialty products, are also in demand.

Weaknesses:

Agriculture is still very primitive, and people are not educated in new techniques. Land parcels are still very small, and IDPs are generally not landowners. Farmers are very low positioned in the value-chain, making the least money of all involved and seeing little immediate incentive to change. Quality and variety of products from food processing companies is generally low, along with the motivation to improve. Existing large mushroom and value-added prune processors have yet to make leap to obtaining higher returns through regional sales and/or exports.

Approach:

According to the “European Fresh Fruit Market Report” and discussions with our senior consultant and others, Serbia has significant opportunities to increase its exports of fresh fruits and to develop specialty products for domestic and export sales. Two important constraints are quality control and market knowledge/access. By addressing both, SCOPES can have a positive effect on vulnerable groups in Kursumlija. SCOPES will work with existing cooperatives and identify new **supplier groups** in fruit growing to help them being better organized and produce salable (better quality) products. By working with **food processing companies** to address quality standards, marketing and product development, and to link them to new markets, SCOPES can help existing and new companies grow and expand employment and input purchases. These companies are the main customers for local farmers and the primary employers, especially during forest fruits season, for local vulnerable groups. The groups that will benefit the most:

- **Rural poor.** Mostly subsistence farming or at best, making very modest profit. Rural poor and farmers need to organize, identify market opportunities and recognize the value of their work to have more sustainable incomes and improve living standards. SCOPES’ primary impact will be assisting this process, helping to improve living standards.
- **Youth.** Limited education and employment make youth in Kursumlija particularly vulnerable. By strengthening the fruit growing/processing sub-sectors, SCOPES will help stabilize and grow jobs for young people as well as encourage them to get into agriculture, which has slowly started to be the case. Young workers aren’t looking for subsistence living; they want access to better opportunities. However, that can only come through increased job skills that SCOPES can address through job training, apprenticeships and internships.
- **IDPs/Refugees.** Poorest of IDPs/ refugees have stayed in Kursumlija. The fruit growing and processing sub-sectors have the best opportunities to generate increased employment for this group, which has very limited possibilities to start businesses or get into farming directly. By strengthening the targeted sub-sectors, SCOPES can have the greatest impact on this group.

OPPORTUNITY:

Tourism. Great potential: Ministry of Diaspora interest in promoting Kursumlija tourism, which includes three spas, Djavolja Varos (Devil’s Town), ski lift built by CRDA/Mercy Corps, Byzantine churches, and other significant sites. However, infrastructure, accommodations and a marketable tourism offer need significant improvement before Kursumlija is truly ready for tourists. Using its established process, SCOPES will support selected opportunities that arise. One such activity is the Ministry’s ‘ethno kuca’ project to encourage Diaspora investment; this can be tied to our work in tourism in Medvedja and Prijepolje.

CHALLENGES:

Social inclusion and improved economic security IDPs in Kursumlija are a particular challenge that SCOPES will address by ensuring that any training, event or project we sponsor is open to

and publicized with the IDP/refugee communities. IDPs/refugees often work in the gray economy because of lack of legal documentation. They are vulnerable to employer abuses because they have no legal protection. SCOPES will identify and work with partners to address this. No formal organization of entrepreneurs exists in Kursumlija, making it difficult for the voice of the private sector to be heard. SCOPES will address this by assisting an already identified small group of business owners to form an entrepreneurs' association.

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs²⁵,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Use targeted competitions to induce innovation that increases employment and support these with training on effective proposal development (2.1.3)
- Build linkages for business development by assisting companies to attend study tours and/or trade fairs outside municipality²⁶ (2.1.3)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support the SME sector to facilitate their growth (2.1.3)
- Deliver TA to address quality control issues of processors and link with state-supported programs to implement (2.1.5)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Deliver targeted TA to selected companies with specific opportunities
- Grants to support specific opportunities, such as BPC winners' projects
- Monitor BPC winners

Supplier groups (cooperatives, associations):

- Deliver TA to form cooperatives from supplier group or association to strengthen forest fruits collectors and tourism accommodation providers (2.1.5)
- Deliver “Basic Training for Cooperatives,²⁷” five workshops open to all associations and cooperatives to strengthen these organizations (2.1.5)
- Assist participation in domestic trade fairs for growers to learn more about modern methods and technology
- Use specific extension materials for fruits in coordination with Agricultural Extension Service and agricultural university and/or high school
- Assist Regional Chamber of Commerce to establish association of entrepreneurs to establish networking and mutual support (2.1.5)
- Assist cooperatives and associations to secure information on and access to programs of government agencies, donors and others who support their growth (2.1.3)
- Build supply chain linkages through trade fairs/study tours

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)

²⁵ See Appendix A for details

²⁶ Any company attending an international trade fair or study tour will be required to have at least one English speaking company representative.

²⁷ See Appendix A for details

- Initiate personal job skills training for youth, potentially in coordination with Economic High School (2.1.3)
- Establish public/private partnership to support job skills training in at least one TBD category, in cooperation with NES and others (2.1.4; 2.1.6)
- Build practical job skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

ECONOMIC SECURITY STRATEGY OVERVIEW

MEDVEDJA MUNICIPALITY

Primary Vulnerable Groups:	Selected Industry Sub-sector:
<ul style="list-style-type: none"> ▪ Rural poor ▪ Marginalized women ▪ Youth 	<ul style="list-style-type: none"> ▪ Tourism ▪ Mushrooms

RATIONALE AND BACKGROUND:

Medvedja is geographically isolated, situated in mountainous terrain, with no major highway leading to the municipality, but nearby is a non-customs' crossing to Kosovo. Although the population is 10,600, many believe the population is lower than published figure due to out-migration of young people and others. None of the 10 SOEs is operating, resulting in high unemployment that will increase. Final products were never produced in Medvedja, which supplied Nis and Leskovac. Medvedja is rich in natural resources including wood, mineral water, fruit, stones, and minerals. Due to its natural potential and available resources, two sectors are identified as the offering possibilities for growth and positive influence on vulnerable groups:

Agriculture -- 66% of Medvedja's income comes from agriculture.²⁸ Sub-sectors within agriculture that can contribute to job creation and economic prosperity are medicinal and aromatic plants, livestock, and forest fruits. SCOPES has chosen mushrooms to start with because of (1) strong market demand and (2) the potential to positively impact vulnerable people who collect and sell them.

Tourism -- Medvedja has great tourism potential, due to its natural beauty, as well as an existing spa and natural spring water. Additionally, tourism "touches" all parts of the municipality and its economy, from encouraging new shops and cafes to helping brighten the days of the residents. Tourism and agriculture are natural "partners" in activities such as festivals. Marginalized (rural) women in particular can benefit from development of rural and authentic tourism through providing in-home accommodations and selling homemade products (e.g., ethnic foods or apparel).

Key drivers of **instability** in Medvedja are not only the sense of disconnection from the rest of Serbia but the physical reality that reinforces that and makes it harder to overcome. In visiting the South in fall 2006, SCOPES staff encountered the most discouraged residents, especially youth, in Medvedja. Broken "promises" (such as the deal to locate an assembly plant) only exacerbate the problem.

Although a majority ethnic Serb, Medvedja has a sizable ethnic Albanian population and a small ethnic Roma settlement. Medvedja has a negative image from past conflicts, and ethnic tensions remain. As in Presevo and Bujanovac, Medvedja has benefited from monies through the Coordination Body but does not generally view this as Republic support to the municipality. In addition, its designation as a "devastated municipality" vests companies registered in Medvedja

²⁸ State Statistical Office 2004.

with certain benefits. Some opportunistic entrepreneurs are using this “address” to gain favorable loans without actually locating jobs in Medvedja.²⁹

Our **market integration approach** seeks to address these issues by helping local businesses and producers link into external markets. Whether forest fruits or tourism, we will decrease insularity by physically taking entrepreneurs and others on study tours and trade fairs so they can see first hand what customers want, learn how others work, experience new ideas. We’ll also help suppliers, whether of mushrooms or tourist beds, to organize and improve their offer. We’ll teach them how to present their products and municipality favorably to outsiders.

Strengths:

Natural potential allows people in Medvedja to develop both industries. On one side, a market need for high quality mushrooms, berries and herbs, is constantly growing, and Medvedja has an abundance of these. On the other side, tourism in Serbia is expanding. The municipality established a Tourism Organization of Medvedja (TOM) and hired a director in early summer 2007. The mayor has shown support for early initiatives in tourism. Medvedja has potential to expand its tourism offer for a limited investment (signs, trails, flower garden, for example). Local people already recognize the opportunity, are renting beds and seem willing to work together to improve what the municipality has to offer. Young people in Medvedja have already shown some initiative by forming (with SCOPES assistance) a multi-cultural association to address youth issues such as marketable skills and entrepreneurship. Their first event, a street basketball tournament, this fall, is aimed at strengthening and promoting this new organization.

Weaknesses:

Poor roads and telecommunication infrastructure (internet) are serious problems for municipal development. Medvedja still has a bad image in Serbia as dangerous, extremely poor and underdeveloped. People around forest fruits are not particularly well organized and are not fully using the opportunity, and ‘processors’ are unwilling to cooperate with each other. Accommodation infrastructure is low quality and attracts mostly medical tourists and older nationals. SCOPES will need to help the TOM identify a few “champions” to help lead the development of tourism.

Approach:

According to the “European Fresh Fruit Market Report” and discussions with our senior consultant and others, Serbia has significant opportunities to increase its exports of mushrooms and berries. Because we saw significant interest in **mushrooms** during the Business Plan Competition, we are focusing first on wild mushrooms – but will not exclude potential opportunities that arise in berries and other forest fruits. Collectors need to be better organized and educated in techniques as well as in the market potential. They need to form collection centers and address quality and health/safety standards and sustainability. Processing companies are mostly working through intermediaries. They need assistance in capturing new markets, on quality control and value-added product development. We will help to identify and exploit opportunities for cultivated mushrooms and berries.

Tourism – Rural and authentic tourism is a growing niche as more tourists seek the experience of staying in a “real” home in a village. However, these tourists still expect that home to meet certain minimal standards of cleanliness etc. Our “Assessment Report for Tourism Development in Medvedja Municipality” indicates potential for a strong rural and authentic offer, and

²⁹ According to Mayor Draskovic

SCOPES has an opportunity to set them on the road properly. Although a majority of local accommodations are low level, minimal standards need to be enforced for the health and safety of guests. A few providers may be prepared to move up the market scale a star or two. Associations are a good way to oblige and monitor standards and promote the offer. SCOPES will work with providers to do this. Additionally, Medvedja and Sijarinska Banja need better promotion and improved services, such as trails, signs and a garden. By working with the Tourism Organization of Serbia, we can help Medvedja gain a better image in Serbian tourism, and we'll help Medvedja participate in the Ministry of Diaspora initiative on 'ethno' houses if possible.

Development of these two sub-sectors will have an impact on:

- **Rural poor.** Forest fruits provide seasonal income to very vulnerable groups, especially unemployed and people with no land or other conditions to do agriculture. Additionally, cultivation of mushrooms and berries on small farms can create new profitable "non-traditional" ways of farming. Enabling rural poor to stabilize and increase their income will be the primary impacts.
- **Marginalized women.** Accommodations are mostly managed by women. Developing accommodations into more formal businesses will help to economically and personally empower rural women.
- **Youth.** Medvedja's most vulnerable resource shows interest in entrepreneurship that we will continue to encourage. Young farmers and young people in tourism will be more open to new ideas, and we will tap into this group. The primary impact will be more businesses owned by young people and less out-migration.

EXPECTED RESULTS:

The primary results will be increased linkages between micro-enterprises of all types supported by SCOPES and other actors in the forest fruits and tourism sub-sectors, increased number of micro-enterprises taking part in a USG-supported value chain and increased support of private sector by USG-assisted sources. Jobs will be created as rural accommodations are registered and new businesses are formed or existing ones expand.

OPPORTUNITY:

Other areas of agriculture show growth potential, especially berries (already discussed) and livestock. These need to be guided by market needs and not tradition. Where opportunity arises for SCOPES to make an important impact in another agricultural sub-sector, we will use our four-step process and supplemental criteria to determine how to proceed.³⁰

CHALLENGES:

Improving multi-ethnic relationships in Medvedja, increasing civic participation and continuing to help youth become better organized are particular challenges that SCOPES will try to address. Obviously the physical isolation won't change and roads will remain less than perfect. These logistics can be a benefit as well as a negative. They can be overcome in a number of ways – such as adding attractive signage that invites visitors and businesspeople, using positive descriptions of the trip to the municipality. For tourism, the municipality's location may be a plus because "isolation" is quite often an attractive benefit to a tourist.

³⁰ See Appendix B

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs³¹,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Conduct targeted competitions to induce innovation that increase employment and support these with training on effective proposal development (2.1.3)
- Build linkages for business development by assisting companies to attend study tours and/or trade fair outside municipality (2.1.3)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support SME sector to facilitate growth (2.1.3)
- Deliver training/TA on branding and marketing to assist mushroom companies to support value-added products and improve marketing (2.1.4)
- In cooperation with appropriate partners, deliver training/TA in strategic planning, branding, marketing and special events to strengthen TOM (2.1.5; 2.1.6; 2.2.1)
- In cooperation with appropriate partners, assist with development signage, trails between Medvedja and Sijarinska Banja, small presentation garden at entrance to Sijarinska Banja in cooperation with TOM and the municipality (2.1.5; 2.1.6)
- Assist TOM to establish quality standards for accommodation (2.1.4)
- Deliver targeted TA to selected companies with specific opportunities (2.1.4)
- Grants to support specific opportunities, such as BPC winners’ projects
- Monitor BPC winners

Supplier groups (cooperatives, associations):

- Deliver TA to form cooperatives from supplier group or association to strengthen forest fruits collectors and tourism accommodation providers (2.1.5)
- Deliver basic financial training for micro-enterprises to increase understanding of accommodations as business (2.1.5)
- Deliver “Basic Training for Cooperatives,³²” five workshops open to all associations and cooperatives to strengthen these organizations (2.1.5)
- Use specific extension materials for new crops, such as cultivated berries or mushrooms in coordination with Agricultural Extension Service and agricultural university and/or high school
- Assist cooperatives and associations to secure information on and access to programs of government agencies, donors and others who support their growth (2.1.3)
- Conduct study tour to help accommodation providers experience real rural and authentic accommodations (2.1.5)
- In cooperation with appropriate partners, assess accommodations, make recommendations and support improvements through grants to providers (2.1.5)
- Assist Regional Chamber of Commerce to establish association of entrepreneurs to establish networking and mutual support (2.1.5)
- Build supply chain linkages through trade fairs/study tours (2.1.5)

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)

³¹ See Appendix A for details

³² See Appendix A for details

- In cooperation with appropriate partners, support establishment of Youth Entrepreneurship Center to help young entrepreneurs establish businesses and gain business skills (2.1.4)
- Initiate personal job skills training to better prepare young job seekers (2.1.4)
- Establish public/private partnership to support job skills training in at least one TBD category, in cooperation with NES and others (2.1.4; 2.1.6)
- Build practical job skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

ECONOMIC SECURITY STRATEGY OVERVIEW

PRESEVO MUNICIPALITY

Primary Vulnerable Groups:	Selected Industry Sub-sector:
<ul style="list-style-type: none"> ▪ Youth ▪ Rural poor ▪ Women 	<ul style="list-style-type: none"> ▪ Dairy

RATIONALE AND APPROACH:

Presevo, with a population of 37,200 that is 97% ethnic Albanian and is adjacent to Kosovo, has a recent history of conflict, most notably in 2000-2001. Indeed ties with Kosovo have a ‘good news/bad news’ dimension – economic ties can support local economic growth that can mitigate instability while hindering more integration with markets in the rest of Serbia. Recent violent incidents and political rhetoric are continuing to destabilize the region.

Although official per-capita income levels are very low, remittances and money spent by visiting ethnic Albanian Diaspora help drive the economy. **Agriculture** is an important industry in municipality where close to 50% of its income comes from this sector.³³ Dairy, livestock, vegetables and fruits are sub-sectors within agriculture ‘employing’ many vulnerable people. Of these, **dairy** shows the highest potential for immediate expansion, job creation and general economic prosperity.

Key drivers of **instability** in Presevo are a sense of disconnection/isolation from the rest of Serbia, continued ethnic tensions and strong feelings about Kosovo independence. Local entrepreneurs let themselves believe that, “Nothing flows north of Presevo,” implying that their products cannot be sold north of the Presevo valley, even though some are sold outside the South. More cross-boundary trade exists with Kosovo than the rest of Serbia. Although the Republic government has invested significantly in Presevo through the Coordination Body, this is not perceived as Republic support. The feeling that Belgrade has forgotten Presevo has likely been exacerbated by the long lag in this year’s CB allocation and the small amounts released so far.

Our **market integration approach** addresses this disconnect by helping local businesses and small producers (many who are from vulnerable groups) link into external markets while we help them improve the quality of what they produce. As a means of mitigating the likelihood of conflict, we will strengthen economic ties with Kosovo and the rest of Serbia, both of which represent growing markets for Presevo products. Given the proximity to and compatibility with Macedonia, encouraging more regional trade provides logical new markets for Presevo companies and supplier groups. To decrease the insularity, SCOPES will identify market opportunities “up north” and elsewhere and give local entrepreneurs and others the chance to experience alternatives through study tours and trade show participation.

Strengths:

Presevo has a long tradition in milk production and processing. The Kosovo market is very close and shows important potential to absorb dairy products. New hyper-markets are opening there and seeking suppliers. Local dairies understand the need for improvement and are ready to accept the change. HACCP is implemented or underway.

³³ State Statistical Office. 2004 Data.

Weaknesses:

A general disconnect with rest-of-Serbia market exists (lack of knowledge of market and understanding of the potential). Supply side issues in Presevo include small farms, low hygiene, no quality control, weak support services. Dairies lack clear branding and marketing that allows for entry into more sophisticated markets, and they have limited product lines and lack many value-added products.

Approach:

Based on several existing reports from CRDA/CHF, CRDA/Mercy Corps, and others as well as observations and discussions with our dairy consultants, SCOPEs understands that the dairy sub-sector in Presevo is similar to that in Bujanovac. Therefore, our approach will be similar. Two important constraints that SCOPEs can address and have a positive impact on vulnerable people are organization and hygiene. These are inter-related and important to the industry meeting EU standards. By organizing into cooperatives, the small (1-2 cow) farms can create collection centers, purchase testing equipment and lacto-freezers to improve milk quality, and undertake joint purchasing of farm inputs. Quality improvements and selling in larger quantities from a collection center can help increase milk prices. A cooperative may also want to produce value-added products (such as a local cheese), rather than selling raw milk, which increases income.

SCOPEs will work with existing dairy cooperatives and identify new **supplier groups** in dairy sub-sector with a goal to help the groups become better organized and jointly work towards improving hygiene and quality of milk. On the other side, as the main customers for locally produced raw milk, three **local dairies** (in Bujanovac and Presevo) will be assisted in developing new products and capturing markets. Development of sector will have impact on:

- **Rural poor.** Most people involved in milk production are rural residents without alternative sources of income. Therefore, raw milk sale is their primary livelihood source. Enabling this group to have a more reliable and increased income will be the primary impact.
- **Women.** Traditionally cow farms are managed by women but this work is perceived as “something they would do anyway,” not valued as contributing to household income. Involving these women into real commercial farming will improve their position in society as well as improve family income.
- **Youth.** Young farmers from Presevo municipality will be specially targeted as they are the leaders of change. They understand better the importance and need to improve the current status of farming. Successful young farmers will serve as role models to other young people who lack faith in better future, reducing the likelihood of instability.

Additionally, the ethnic Albanian community in general has a more entrepreneurial history since its members could not rely on state jobs under the old system. Our approach will be to foster entrepreneurship, especially among youth and regardless of ethnicity, as an option that can provide a satisfying, rewarding career.

EXPECTED RESULTS:

The primary results will be increased linkages between micro-enterprises of all types supported by SCOPEs and other actors in the dairy sub-sector, increased number of micro-enterprises taking part in a USG-supported value chain and increased support of private sector by USG assisted sources. As farms register, new businesses are formed, cooperatives develop and local dairies expand, new jobs will be created.

OPPORTUNITIES:

New initiatives by the Ministry of Diaspora are targeting investments by ethnic Serbian and ethnic Albanian Diaspora in local communities. SCOPES will work closely with the ministry. The Ministry of Agriculture has announced support to “intensive agricultural varieties,” which farmers can use to move into new crops. We will encourage young Presevo farmers to use this opportunity to look at highly valued crops such as blueberries. Several **mushroom** collectors are interested in working with Bujanovac collectors to form a cooperative and improve collection centers. Presevo will be included in the mushroom value chain analysis. In fruits, cultivation of **blueberries** in particular offers some interest to both buyers and growers that SCOPES may pursue on an opportunistic basis. Tobacco is currently grown in Presevo, but it is unlikely this sector will survive in the long run, especially the way it is managed now. Quality is poor and purchases are based on contractual requirements of the Republic government that will expire. Tobacco farmers will either have to increase production and improve the quality of their crops to meet international companies’ standards or the farmers will have move to other agricultural sub-sectors.

CHALLENGES:

Improved multi-ethnic relationships and better connection of Presevo with the rest of Serbia is particular challenge in improving stability in this part of Serbia. Language can also be a challenge since Presevo is largely ethnic Albanian; while many residents speak and understand Serbian, written skills are limited. English language skills are even more limited. Both language deficiencies can hinder “export” opportunities. Where feasible, SCOPES will provide materials, training and technical assistance in Albanian (as we did with the Business Plan Competition). However, Serbian is the official language of the country and USAID requires English for its documents.

Although we will not address the issue of the isolation of ethnic Albanian women in general, we will continue to reach out to ethnic Albanian business women, as we did with the “Business Empowered by Women” conference.

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs³⁴,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Conduct targeted competitions to induce innovation that increase employment and support these with training on effective proposal development (2.1.3)
- Build linkages for business development by assisting companies to attend study tours and/or trade fair outside municipality (2.1.3)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support SME sector to facilitate growth (2.1.3)
- Deliver training/TA on branding and marketing to assist dairies to diversify product mix and improve marketing (2.1.4)
- Deliver targeted TA to selected companies with specific opportunities(2.1.4)
- Provide grants to support specific opportunities, such as BPC winners’ projects
- Monitor BPC winners

³⁴ See Appendix A for details

Supplier groups (cooperatives, associations):

- Deliver TA to form cooperatives from supplier group or association to improve supply chain (2.1.5)
- Deliver “Basic Training for Cooperatives,³⁵” five workshops open to all associations and cooperatives to strengthen these organizations (2.1.5)
- Use specific extension materials for new crops, such as cultivated berries or mushrooms in coordination with Agricultural Extension Service and agricultural university and/or high school (2.1.5)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support the SME sector to facilitate their growth (2.1.3)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Build supply chain linkages by developing regional supply chain fair with appropriate partners (2.1.3)

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)
- Partnering with Higher School of Business in Presevo (which is attended by students from throughout the region) and others, introduce and build awareness of entrepreneurship among post-high school students (2.1.4)
- Establish public/private partnership to support job skills training in at least one TBD category, in cooperation with NES and others (2.1.4; 2.1.6)
- Build practical job skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

³⁵ See Appendix A for details

ECONOMIC SECURITY STRATEGY OVERVIEW

KRALJEVO MUNICIPALITY

Primary Vulnerable groups:	Selected Industry Sub-sector:
<ul style="list-style-type: none"> ▪ Youth ▪ Rural poor ▪ Redundant workers ▪ IDPs/ Refugees 	<ul style="list-style-type: none"> ▪ Food Processing

RATIONALE AND BACKGROUND:

Kraljevo is SCOPES' largest municipality with a population of 121,000, 97% of whom are ethnic Serbs. Located in the heart of Serbia, Kraljevo is a “crossroads” for travelers to other parts of the country. The transition from a centralized economy, the influx of IDPs³⁶, and privatization have drastically increased unemployment in Kraljevo. Production and manufacturing have decreased, leaving thousands of redundant workers in their wake. One of the country's largest municipalities territorially, Kraljevo has an estimated 100,000 residents in the city and the remainder scattered throughout large rural areas. As a result of their isolation, rural residents are especially vulnerable. Some 20% of Kraljevo's national income comes from agriculture³⁷ and 15% from manufacturing. Many SMEs have grown from the ashes of the industries their owners worked in the past – such as processing of metal, food, marble and wood; furniture making, and apparel production – as evidenced in submissions to the SCOPES Business Plan Competition.

SCOPES has identified **food processing** as a sub-sector with growth prospects based on the work of our predecessors, discussions with our senior consultant and because it has high potential to positively impact both urban and rural vulnerable groups. Processors tend to be in urban areas and suppliers in rural areas; however, some agricultural cooperatives have already begun to produce and sell products and need support to become sustainable. The food processing industry is very broad and through its sub-sector analysis, SCOPES plans to narrow the value chains to be supported. That report is due by the end of October.

Other than the mining sector and the value chains surrounding it, Kraljevo has no other economic sub-sector with sufficient capacity to warrant a full-fledged SCOPES assessment other than **tourism**. We believe the Swiss government has done a tourism study and are attempting to obtain a copy before making a decision on how to proceed with this important sub-sector.

The key drivers of **instability** in Kraljevo are Kosovo status actions and attitudes of insularity and disconnection. The municipality is the first large city on the road from Kosovo and a likely stopping place for new IDPs/refugees. The previous influx, including many Roma, caused heightened attitudes of insularity among those vulnerable groups and among local residents. Local residents already suffering from the economic turndown were excluded from support programs available to IDPs/refugees.

³⁶ Kraljevo officially has 20,000 IDPs and Refugees (State Statistical Office. 2004 Data.) and unofficially 35,000.

³⁷ State Statistical Office. 2004 Data.

Our **market integration approach** addresses insularity by helping local businesses and producers link to external markets. We will decrease insularity by providing opportunities for people from various backgrounds to interact and jointly attend study tours and/or trade fairs to learn more about customers, how others work and experience new ideas. We'll also help producing cooperatives improve and market their products. To support our social inclusion objectives, SCOPES activities will be highly publicized to all vulnerable groups who will be encouraged to participate.

Strengths:

Location in very center of Serbia and at a crossroads for travelers creates good conditions for business development and for supply of raw materials to variety of industries from food processing to energy production. Although lacking an entrepreneurial heritage, SCOPES BPC received the largest number, some of the most well written and most innovative business plans from this municipality. Climate, soil, water resources, temperature ranges all favorable to wide range of agricultural production from grazing lands to fruit/vegetable growing. Strong local sources of raw materials for **food processing** sub-sector. The Agriculture High School, which is a multi-ethnic boarding school, is a business-focused institution. The diversity of the food processing sector from confectionary to dairy to fruit provides a firm foundation for the school's growth.

Weaknesses:

Food processing sub-sector in Kraljevo is not particularly well developed from both ends. Processors are weak on understanding and respecting standards and still do not recognize necessity of investing in those; product development and marketing is another issue that requires attention. On the other side, suppliers are not organized, do not follow market demands and still are mainly focused on primary production. Current local production is too small to meet processor demand; some "import" fruits and vegetables from long distance across Serbia, thus increasing their costs. IDPs/refugees often work in the gray economy because of lack of legal documentation. They are vulnerable to employer abuses because they have no legal protection. SCOPES will identify and work with partners to address this.

Approach:

According to the work of our predecessors and our senior consultant, food processing in Kraljevo has potential to increase sales both domestically and for export. The key **constraints** are quality control and standard, market knowledge, access to national regional and international markets. Through coordination with the Ministry of Agriculture and other donor projects and visits to other companies in Serbia who have implemented such controls, SCOPES will work to educate companies on food safety and quality control. We will introduce the companies to the larger domestic and regional markets through visits to trade fairs such as the Novi Sad Agricultural Fair, the largest in southeastern Europe. Tapping external markets and meeting their standards will mean that companies can grow and increase employment.

SCOPES has already identified **supplier cooperatives and associations** for support. We will help them better understand market dynamics, meet quality standards and improve member services. We will assist associations to become cooperatives and cooperatives producing products to more effectively market them. Developing the food processing sub-section will have an impact on:

- **Rural poor.** Scattered and often isolated; farming that is not market-oriented and cannot fully support families. The diversity of agricultural land and climate, from pastures for

meat and dairy to field crops, offers opportunities to increase their incomes through more effective strategic and economic strategies. Young farmers will be targeted as they are likely to be most receptive to new ideas. Enabling rural poor to stabilize and increase their incomes will be primary impacts.

- **Redundant workers.** Many returned to their home villages and got into agriculture. The fact that they are neither entrepreneurs nor farmers made this transition especially difficult. (See above.) Assisting them to improve their farming and secure permanent income from agriculture will drastically improve their livelihood.
- **Youth.** Opportunities in agriculture (raw materials and processing) are significant due to wide range of services/education at Agriculture High School (access to technology, internships, entrepreneurship courses, technical education). Most go directly into entry-level jobs, not seeking higher education which limits future job prospects. By helping students better understand industry needs, SCOPES can assist their educational focus toward areas that yield higher incomes and make them more attractive to employers. SCOPES will also support young entrepreneurs with innovative ideas. The impact will be increase employment at higher wages and more jobs as companies grow.
- **IDPs/Refugees.** Because they aren't generally land owners, difficult to start businesses or own farms. By strengthening the targeted sub-sectors, we can have the greatest impact on this group. Improving job skills to increase prospect of employment in food processing industry can help stabilize and increase incomes. Entrepreneurship will be encouraged and supported.

EXPECTED RESULTS:

The primary results will be increased linkages between micro-enterprises of all types supported by SCOPES and other actors in the food processing sub-sectors, increased number of micro-enterprises taking part in USG-supported value chains and increased support of private sector by USG-assisted sources. As the private sector grows and sales increase, new jobs will be created in supplier organizations as well as companies.

OPPORTUNITY:

Tourism. This sub-sector has the greatest additional opportunity for development, especially rural and authentic tourism. Mountain Goc, famous monasteries, the natural purity of environment, nearby spa, existing special events such as the kayak championships are resources that can be promoted and developed. SCOPES will cooperate with the Ministry of Diaspora's "ethno-kuca" project and has an existing BPC winner that will participate. SCOPES will coordinate with other donors and the Republic ministries/agencies to support tourism development where possible. A decision on a sub-sector analysis will be made in September.

By providing all **technical assistance** in coordination with the Agricultural High School, SCOPES can ensure that knowledge is locally embedded and available to students and industry post-project.

CHALLENGES:

Social inclusion and improved economic security for the large IDP/refugee population (including Roma) are particular challenges that SCOPES will address by ensuring that any training, event or activity that we sponsor is open to and publicized within those communities.

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs³⁸,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Use targeted competitions to induce innovation that increases employment and support these with training on effective proposal development (2.1.3)
- Build linkages for business development by assisting companies to attend study tours and/or trade fairs outside municipality³⁹ (2.1.3)
- Deliver training and TA on human resource issues to help companies address those more effectively (2.1.4)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support the SME sector to facilitate their growth (2.1.3)
- Deliver targeted TA to selected companies with specific opportunities (2.1.4)
- Grants to support specific opportunities, such as BPC winners’ projects
- Monitor BPC winners

Supplier groups (cooperatives, associations):

- Deliver targeted TA to associations and cooperatives to make product improvements, expand markets and increase member services (2.1.5)
- Deliver “Basic Training for Associations & Cooperatives,⁴⁰” five workshops open to all associations and cooperatives to strengthen these organizations (2.1.5)
- Deliver targeted TA to cooperatives and associations to meet quality standards and improve delivery of their inputs to processors (2.1.5)
- Support implementation of “kajmak” branding program by dairy cooperative (2.1.5)
- Organize fruit and vegetable growers to increase supply demanded by existing processors (2.1.5)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Assist cooperatives and associations to secure information on and access to programs of government agencies, donors and others who support their growth (2.1.3)
- Build supply chain linkages through trade fairs/study tours

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)
- Partnering with Agricultural High School, NGOs and others, implement innovative approach to enhance existing entrepreneurship program at the high school and build awareness of entrepreneurship among this age group (2.1.4)
- Establish public/private partnership Agricultural High School, chamber of commerce, NES and others to support the school’s initiative to implement a continuing education (job training) program in food processing sub-sectors (2.1.4; 2.1.6)
- Build practical skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

³⁸ See Appendix A for details

³⁹ Any company attending an international trade fair or study tour will be required to have at least one English speaking company representative.

⁴⁰ See Appendix A for details

ECONOMIC SECURITY STRATEGY OVERVIEW

NOVI PAZAR MUNICIPALITY

Primary Vulnerable Groups	Selected Industry Sub-sector
<ul style="list-style-type: none"> ▪ Youth ▪ Women ▪ Redundant workers 	<ul style="list-style-type: none"> ▪ Apparel ▪ Food Processing

RATIONALE AND BACKGROUND:

Novi Pazar has a rich entrepreneurial tradition and long history as an important trading center, cultivating linkages and ties to markets outside the Sandzak region. However, Novi Pazar is geographically isolated, which coupled with a mixed ethnic society, has contributed to more insular attitudes than can be found in other isolated parts of the country. In the 1990s, Novi Pazar was a ‘miracle of entrepreneurship,’ dealing heavily in black markets during the wars that punctuated the dissolution of Yugoslavia. Small entrepreneurs had no lack of ideas for potential businesses. However, with the collapse of state-owned enterprises (SOEs) as many as 15,000 workers have lost their jobs.⁴¹ Novi Pazar is still a major manufacturer of jeans, including exports to other European countries, and 23% of its national income comes from manufacturing.⁴² More than 40 percent of the population of Novi Pazar is youth, above the national average and the highest in SCOPES municipalities.

Based on the work of our predecessors and Novi Pazar’s strong manufacturing history, SCOPES selected manufacturing, and the results of the Business Plan Competition focused our attention on apparel and food processing. Because the **apparel industry** contributes a large portion to the manufacturing sector, SCOPES has focused on that first. However, **food processing** shows promise for job creation as well, and both sub sectors contribute to general economic prosperity. Sub-sector/value chain analysis of apparel is expected to be completed shortly and food processing by the end of October.

The key driver of **instability** in Novi Pazar is intra-ethnic political disputes between the political parties SDA and SDP, although some tensions do remain between ethnic Serbs and ethnic Bosniaks. Additionally, small religious extremist groups have recently attempted to fire ethnic tensions. Attitudes in Novi Pazar tend to be insular, focused on very local interactions, groups and conflicts. In addition, unemployment among a large youth population also drives instability.

Our **market integration approach** addresses insularity in the **apparel** sub-sector by helping businesses and small producers focus more outwardly – on demands of the international market, rather than copying from each other, and shifting upstream – from cut-make-trim (CMT) to “full package⁴³.” In **food processing**, due to the isolated location, a large micro economy of food companies has developed to meet local demands, rather than “importing” from other parts of Serbia or regionally. These companies cannot grow without reaching out to the rest of Serbia or export markets, and our market integration approach will facilitate that process. SCOPES will also assist companies to learn about and encourage participation in Republic programs that

⁴¹ SCOPES Assessment.

⁴² State Statistical Office. 2004 Data.

⁴³ Full package means the purchaser provides only the garment design to the producing company, which buys all inputs, makes and packages the garment and ships it to locations identified by the purchaser.

support entrepreneurs and specific sub-sectors. Because of the high percentage of young people, youth will receive significant attention, particularly in the area of entrepreneurship.

Strengths:

Entrepreneurial spirit is well developed, and local entrepreneurs have long entrepreneurial history. Close ties with Turkey, Bosnia and Montenegro helps trade and creation of business linkages. Although geographically isolated, Novi Pazar is located on historic trade route and exposure to trade, resulting in “trade mentality.” Strength of experience in **apparel** industry remains. Strong local supply market exists for **food processing** companies. Food processing sub-sector has broad product offering, including dairy, fruit, confectionary, baking and meat.

Weaknesses:

Very slowly local **apparel** companies are coming to understand the need to develop their own products, brands and/or full package production. Still heavy reliance on CMT, providing outsourced labor to manufacture garments; no value added, a market with the strongest competition (Far East). Need improvement in design and marketing, as well to improve skills of labor. **Food processing** companies need to understand and implement HACCP, reach out to external markets where they can grow, and better deliver on customer expectations and needs. **Shoe** manufacturing is a smaller employer with similar issues to apparel that may also be supported.

Approach:

Based on a number of existing reports, preliminary information from SCOPES’ apparel consultant and discussions with our senior consultant who has a strong agro-processing background, SCOPES has identified key **constraints** that we will address in each sub-sector. In **apparel**, employment and a lack of market understanding are the constraints we will address. Expectations regarding jobs in the apparel industry are confused – companies can’t hire new employees in part due to low wages offered and poor working conditions, new graduates often have inflated expectations on starting positions and salaries, and skills (needs/demands) are often mismatched. Apparel companies know their businesses well and may even operate at full capacity. However, they lack an understanding of the apparel market and the necessity to transition into a more diversified production (providing full package – higher margins and more long-term security – as well as CMT – higher production with lower margins and higher risk). By working with the Textile High School, Textile Union, NES and others, SCOPES can address skill issues. As markets expand and higher value production takes over, the result can be higher wages, increased employment and better jobs.

In **food processing**, key constraints are quality control and standards, market knowledge, access to national, regional and international markets. Through coordination with Ministry of Agriculture and other donor projects and visits to other companies in Serbia that have fully implemented such controls, SCOPES will work to educate companies on food safety and quality control. We will introduce the companies to the larger domestic and regional markets through visits to trade fairs, such as the Novi Sad Agriculture Fair, the largest in southeastern Europe. Tapping external markets and meeting their standards will mean companies can grow, thus increasing employment.

SCOPES expects most of our **supplier support** to be in agriculture (mainly dairy, meats and fruits). We will work primarily through associations, such as the Agricultural Union of Dairy Producers, and existing cooperatives. This will ensure effective quality control and more cost

effective delivery to processors. We will also support cooperatives to expand member services, for example, providing joint purchasing of inputs.

Because Novi Pazar has such a large **youth** population and a tradition of entrepreneurship, we will identify ways to encourage and support youth entrepreneurship across all industries among young people, especially through schools. We will publicize successes broadly to showcase the possibilities.

- **Youth.** Youth in Novi Pazar comprises 42% of population. The option of entrepreneurship will be encouraged. One key issue is a disconnect between expectations of job-seekers and employers. SCOPES will work with local educational institutions to address both issues. Enabling young people to earn a living will help to make them less susceptible to negative influences.
- **Redundant workers.** Re-training and additional education, combined with sustainable growth of local companies, will help redundant workers get new jobs and secure their livelihoods. SCOPES will work with companies, NES and local educational institutions to facilitate a “lifelong learning” approach.
- **Women.** Traditionally apparel employed a very high percentage of women who work in less-than-desirable conditions. As local apparel companies become more competitive and implement EU standards, working conditions will improve and new jobs will be created, leading towards better human and economic security.

EXPECTED RESULTS:

The primary results will be increased linkages between micro-enterprises of all types supported by SCOPES and other actors in the apparel and food processing sub-sectors, increased number of micro-enterprises taking part in USG-supported value chains and increased support of private sector by USG-assisted sources. As the private sector grows and sales increase, new jobs will be created in supplier organizations as well as companies.

OPPORTUNITY:

Tourism -- Novi Pazar has potential in tourism with its many Ottoman, Serbian and Bosniak historic sites and Golija Mountain. As appropriate, SCOPES will work with the Ministry of Diaspora to identify opportunities for investment, including the ethno houses project.

CHALLENGES:

The biggest challenges will be addressing the mismatch of expectations between job-seekers and employers, getting older workers to understand the need for “lifelong learning,” and getting companies in both sub-sectors to accept the need to focus outwardly to grow. SCOPES will address these through education of young people and entrepreneurs and by taking employers and key employees to see how other Serbian companies work successfully.

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs⁴⁴,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Conduct targeted competitions to induce innovation that increases employment and support these with training on effective proposal development (2.1.3)

⁴⁴ See Appendix A for details

- Build linkages for business development by assisting companies to attend study tours and/or trade fairs outside municipality⁴⁵ (2.1.3)
- Deliver training and TA on human resource issues to help companies address those more effectively (2.1.4)
- Support introduction of “quality seal” certification program proposed by group of apparel companies to establish and maintain high quality standard that is promoted and will become globally recognized (2.1.5)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support the SME sector to facilitate their growth (2.1.3)
- Deliver targeted TA to selected companies with specific opportunities (2.1.4)
- Grants to support specific opportunities, such as BPC winners’ projects
- Monitor BPC winners

Supplier groups (cooperatives, associations):

- Deliver targeted TA to associations and cooperatives to make product improvements, expand markets and increase member services (2.1.5)
- Deliver “Basic Training for Associations & Cooperatives,⁴⁶” five workshops open to all associations and cooperatives to strengthen these organizations (2.1.5)
- Deliver targeted TA to cooperatives and associations to meet quality standards and improve delivery of their inputs to processors (2.1.5)
- Support introduction of HACCP, ISO and other standards and how to obtain implementation support to improve safety and quality (2.1.5)
- Assist cooperatives and associations to secure information on and access to programs of government agencies, donors and others who support their growth (2.1.3)
- Build supply chain linkages through trade fairs/study tours (2.1.5)

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)
- Partnering with universities, NGOs and others, implement innovative approach to introduce and build awareness of entrepreneurship as a career option for post-high school students (2.1.4)
- Establish public/private partnership to support job training in apparel sub-sector in cooperation with Textile Union, NES, Apparel High School (2.1.4; 2.1.6)
- Build practical skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

⁴⁵ Any company attending an international trade fair or study tour will be required to have at least one English speaking company representative.

⁴⁶ See Appendix A for details

ECONOMIC SECURITY STRATEGY OVERVIEW

PRIJEPOLJE MUNICIPALITY

Primary Vulnerable Groups:	Selected Industry Sub-Sector:
<ul style="list-style-type: none"> ▪ Women ▪ Youth ▪ Rural poor ▪ Redundant workers 	<ul style="list-style-type: none"> ▪ Tourism

RATIONALE AND BACKGROUND:

Prijepolje was historically an industrial municipality in which the biggest employers were state-owned companies in textile and metal sectors. With the collapse of these companies, many redundant workers and those who could not support livelihoods with extremely low incomes (unemployed, factory workers and pensioners) went back to agriculture in order to produce crops mainly to meet their own needs and occasionally to sell in a local market. As revitalization of the main employers never happened, people saw the need for alternative employment. Due to natural predisposition of the area, tourism and agriculture are identified as sectors that have potential to support vulnerable groups. Looking through the lens of impact on vulnerable people and potential to support development of the whole municipality, SCOPES has targeted **tourism**, which has been identified as the biggest export sector in developing countries by the World Tourism Organization. Tourism has proven to be the most efficient lever for overall development of a community: poverty alleviation, employment, entrepreneurship and overall economic progress.

Prijepolje's tourism potential is derived from its location on the main Serbia-Montenegro highway, River Lim, beautiful untouched nature, numerous traditional, authentic rural households, clear air and water, famous monastery and mosque and other exceptional tourist attractions. Tourism touches every part of a local economy, from providing accommodation to local cafes, handicrafts and ethnic foods, new or expanded activities (rafting, for example), tour guide services and more. Many of these can be provided by members of vulnerable groups. Prijepolje's tourism offer fits with the tourism trend toward more authentic tourism, active holidays with diverse activities, opportunities to learn more about places visited.

The key drivers of potential **instability** are possible negative events from outside, such as from Novi Pazar, and a decline of economic prosperity. Although ethnically mixed (Serb and Bosniak), Prijepolje is the most stable of SCOPES seven initial municipalities. Past cooperation between the mayor (Bosniak) and an MP (ethnic Serb) from another political party has resulted in an inflow of Republic level funds and a feeling of support from the Republic government.

Our **market integration approach** will foster continued stability by helping local businesses and suppliers to link to external markets while assisting them to improve the quality of their products and services. Many of the products and services needed to improve Prijepolje's tourism offer will be provided by members of vulnerable groups who can stabilize and increase their incomes.

Strengths:

Authentic and rural tourism and the increasingly popular “extreme sports” are naturals for Prijepolje with potential to grow further. Rafting and paragliding, some in-home accommodations exist and on which an improved tourism offer can be built. The town lies on a major highway connecting Serbia with Montenegro and Adriatic Sea. Excellent geographical position is a big advantage. Municipality of Prijepolje’s Strategy for Development identifies tourism as one of the sectors with biggest potential and has committed to support it. Formation of Tourist Organization of Prijepolje (TOP) was the first step to support this, and TOP is already working on a tourism strategy with SCOPES. The international visibility provided by Vlade Divac Day (9-23-07) can be used to the municipality’s advantage. The municipality also has a history of other events that could be better marketed to increase visitors and visitor spending. Ten associations of rural households exist and are willing to work together. Good cooperation with other municipalities in the region. Existence of Business Improvement District (BID) in center has improved appearance and cooperation.

Weaknesses:

Local people involved in tourism lack knowledge and self-confidence. In-home accommodation providers have little or no understanding of quality standards as most have never seen a good example somewhere else. Level of service and standards are generally low. There is a lack of awareness of impact of surroundings (trash in streets, run-down buildings for example) on visitors. Although events bring a great number of visitors, they are not very well organized – no company sponsors; poorly promoted, especially outside the municipality; local vendors aren’t organized for selling to visitors; no central information source for visitors. Promotional materials need to be upgraded. Poor signage – it is impossible for a tourist/driver to find the municipality because there are no signs. Parking is a problem in the town center. Road infrastructure is generally poor, especially in rural areas. Power supply in villages is inadequate.

Approach:

The recently completed “Assessment Report for Tourism Development in Prijepolje Municipality” has confirmed the initial selection of tourism as SCOPES targeted sub-sector for Prijepolje. (The initial decision was based on discussions/reports from CRDA/Mercy Corps and UNDP.) The report indicates that Prijepolje is in a good position to take advantage of the growing markets for rural and authentic tourism and “extreme” sports, and with SCOPES assistance, the municipality can open its doors wider to international and domestic tourists and have a positive impact on vulnerable groups. Key constraints identified in the report are a generally low existing standard of accommodations, poor event management and lack of knowledge of customer service and expectations, marketing and promotion. By working with existing associations and TOP, SCOPES can help accommodations providers improve customer service, reach a higher quality standard, expand their offer and better promote their offer. Better organized, promoted and managed events, such as Limski Darovi, rafting competitions, and the paragliding cup, can increase event attendance and sales of locally produced products. SCOPES will work with TOP, associations, event organizers and others to improve their ability to offer a memorable tourist experience. The two main vulnerable groups who will directly benefit are:

- **Rural women.** Accommodations are mostly managed by women, and many of these women already understand the value of cooperation, having formed associations. Worldwide an average tourist stay is two nights, but average farm stays is four or more nights. By helping the women to develop their accommodations into more formal and sustainable businesses, they can extend their average stays. By strengthening the accommodation associations, SCOPES can improve the economic situation and empower rural women personally.

- **Youth.** Tourism businesses developing in Prijepolje are often owned by and employ young people, especially extreme sports. SCOPES can assist this vulnerable group by helping them expand their offerings beyond one season as well as helping them better organize and market their businesses. As the tourism season is expanded, the general economy will improve and reduce the seasonality of employment, both of which will help maintain stability.

EXPECTED RESULTS:

The primary results will be increased linkages between micro-enterprises of all types supported by SCOPES and other actors in the tourism sub-sector, increased number of micro-enterprises taking part in USG-supported value chain and increase support of private sector by USG-assisted sources. As accommodations become more formal businesses, tourist offer and season and expanded, new jobs are created.

OPPORTUNITIES:

Business development. Tourism can offer new prospects for budding entrepreneurs and existing crafts makers and others to develop and sell new products and services (ethnic foods and local guided tour packages, for example). Many of these may be from vulnerable groups such as youth and redundant workers, who can increase their income and/or gain jobs.

Agriculture. SCOPES Assessment identifies the chance for linkages between agriculture and tourism as supported by the World Tourism Organization (rural destination visitors like to learn about local foods, cooking, customs, agricultural methods etc.) SCOPES will further explore opportunities in agriculture as a whole since 30% of the national income of Prijepolje is from agriculture. Livestock, dairy processing, medicinal & aromatic plants, fruit growing and processing are sub sectors within agriculture with the best potential to realize expansion, job creation and general economic prosperity.

CHALLENGES:

Creating an accommodation rating system that is apolitical. Differentiation of what Prijepolje offers. Promotion of Prijepolje as attractive Serbian tourist destination. Ensuring that tourists are satisfied once they visit Prijepolje.

INTERVENTIONS:

Firm level:

- Deliver “Basic Training for Entrepreneurs⁴⁷,” five workshops open to all entrepreneurs, to strengthen new and existing companies (2.1.4)
- Conduct targeted competitions to induce innovation that increase employment and support these with training on effective proposal development (2.1.3)
- Build linkages for business development by assisting companies to attend study tours and/or trade fair outside municipality (2.1.3)
- Assist entrepreneurs to secure information on and access to programs of government agencies, donors and others who support SME sector to facilitate growth (2.1.3)
- In cooperation with appropriate partners, deliver training/TA in strategic planning, branding, marketing to strengthen TOP (2.1.5; 2.1.6; 2.2.1)
- Conduct special events training for TOP and other actors to improve organization and increase attendance and sales of locally produced products (2.1.5) and enhance ability of existing events to generate greater revenues

⁴⁷ See Appendix A for details

- In cooperation with TOP and the municipality, assist in development of signage and greenways to improve tourism offer (2.1.5)
- Assist TOP to establish quality standards for accommodations (2.1.4)
- Deliver targeted TA to selected companies with specific opportunities
- Grants to support specific opportunities, such as BPC winners' projects
- Monitor BPC winners

Supplier groups (cooperatives, associations):

- In cooperation with appropriate partners, assess accommodations, make recommendations and support improvements through grants to providers (2.1.5)
- Provide TA from architect/landscape architect to identify necessary changes to meet expected standards (2.1.5)
- Deliver basic financial training for micro-enterprises to increase understanding of accommodations as business (2.1.5)
- Deliver “Basic Training for Cooperatives,⁴⁸” five workshops open to 10 accommodations associations to strengthen these organizations (2.1.5)
- Deliver “Customer care” training for all accommodations' providers (hotels and in-home) (2.1.5)
- Conduct study tour to help accommodation providers experience real rural and authentic accommodations (2.1.5)

Individuals:

- Introduce and build awareness of entrepreneurship as a career option to high school students through implementation of Junior Achievement in at least one high school (2.1.4)
- Assist rafting guides to obtain certification (2.1.4)
- Support development of new programs at Tourism High School that will enhance marketability of graduates and support tourism development (2.1.4)
- Establish public/private partnership to support job skills training in at least one TBD category, in cooperation with NES and others (2.1.4; 2.1.6)
- Build practical job skills through internships and apprenticeships that are supported by local educational institutions and companies (2.1.4)

⁴⁸ See Appendix A for details

APPENDIX D: SCOPES PROGRAMMING PRINCIPLES

SCOPES Programming Principles:

1. Target vulnerable individuals and groups which have demonstrated need.

SCOPES works with people and communities in genuine need of assistance.

2. Help those that are willing and able to help themselves.

SCOPES works with people and communities to improve conditions, there must be commitment and participation from the community.

We are in the business of development, not humanitarian assistance.

3. Adhere to democratic control and decision making.

SCOPES believes in the right of self-determination for all people and will work with communities/groups to fulfill their legitimate self-determined objectives.

4. Recognize that a market economy is driven by profitable firms.

SCOPES requires that firms that seek our support are market oriented, capable of assuming risk, and intend to persevere in the market.

5. Do no harm.

SCOPES is cognizant of the effects our interventions can have on others and will implement activities in an environment where the least advantaged are not placed in further jeopardy.

6. Respect for law and legitimate institutions.

SCOPES respects the legitimate institutions and adheres to all laws and regulations of the host country as well as applicable U.S. laws and regulations in delivering USAID assistance.

7. Support interventions that are complete.

SCOPES is committed to finding complete solutions and will implement useable, functional interventions with clear benefits and no unmanageable burden left on the community. We will only support activities where goals are achievable.

8. Achieve identifiable results.

All projects are evaluated and measured by tangible and quantifiable results delivered to the targeted groups.

9. Seek equity.

SCOPES believes in the equality of all citizens regardless of race, gender, religious or political affiliation.

10. Require transparency.

All projects are implemented in an open and transparent manner including daily management and decision making.

11. Effect long-lasting positive change.

SCOPES is committed to implanting projects that bring about long-lasting, sustainable positive change to the community.

12. Seek broad impact.

More people, greater area, is better.

13. Cost-share with communities and other organizations.

SCOPES seeks to mobilize resources from the local, national and international community. SCOPES would like to be a catalyst for development, filling gaps that exist.

14. Encourage partnerships.

SCOPES would like to support other organizations working in the country—both local and international. Ideal partnerships are based on substantial contributions from all parties.

15. Respect the environment.

SCOPES will avoid activities that have adverse effects on the environment.

16. Respect for local culture.

Interventions are designed to take into account cultural norms and attitudes, encouraging change without abandoning completely tradition. Local languages, as much as possible, will be utilized in meetings and publications.

17. Respond to real needs.

SCOPES will support activities that require our assistance. We will act where our contribution makes a significant difference.

18. Enhance capacity.

SCOPES activities will increase the capacity of persons or organizations to do work that they could not do before or to do work in significantly better ways.

19. Add value.

As an international development project, SCOPES will bring new and innovative ideas and methods to communities/groups seeking to always add value.

APPENDIX E: INDICATORS SUMMARY

INITIAL YEAR 1 INDICATORS⁴⁹

IR or Activity	Impact Indicators:
IR 2.11.3	Score on Municipal Emergency Management Capacity Index (MEMCI)
IR 2.11.3	Number of municipal-level CPPRs produced
IR 2.11.3	Lessons learned regarding use of municipal-level CPPR in actual crisis events
1.1	Number of actors and donor agencies participating in Disaster Management Working Group
1.1	Number of agencies or organizations actively participating in developing municipal-level CPPR plans and related trainings
1.1	Number of municipal policy/planning documents drafted for submission to locally-elected authorities (NEW INDICATOR)
1.2	Number of days to field surge staff complement
1.2	USD \$ Value of commodities
1.2	USD \$ of grants responding to crisis
Task	Monitoring Indicators:
1.1.1/ 1.1.2	a) Number of awareness raising workshops held at municipal level
	b) Number of CBOs and national organizations represented in municipal human security/CPPR awareness-raising meetings
	c) Number of strategic planning workshops held in municipalities to contextualize Component One Assessment
1.1.3	a) Number of Municipal Emergency Management Teams (MEMs) identified or formed
	b) Number of training sessions held annually to build capacity in target municipalities to monitor and plan for emergencies
	c) Number of subject-area modules included in training (NEW INDICATOR)
	d) Number of participants trained in target municipalities to monitor and plan for emergencies
1.1.4	e) Average score on individual monitoring skills assessment rating
	a) Number of municipal-level CPPRs produced
1.1.5/ 1.1.6	a) Number of agencies or organizations actively participating in developing municipal-level CPPR plans and related trainings
	b) Number of actors and donor agencies participating in Disaster Management Working Group
	c) Number of crisis simulations and exercises held
	d) Number of fora held for networking between municipal-level technical experts

⁴⁹ In the final FY 2007 report, clarification of the indicators, which over the course of Year 2 implementation demonstrated needed greater clarity, will be offered.

- e) Number of participants in technical networking fora
- f) Number of municipal policy/planning documents approved by locally-elected authorities (NEW INDICATOR)
- g) National disaster management policy is drafted by Serbian government. (NEW INDICATOR)
- 1.1.7 a) Number of national conferences or local workshops held on media role and responsibility in crisis
- 1.1.7 b) Number of participants in workshops to improve media responsibility in crisis
- 1.1.8 a) Number of Crisis Monitoring Bulletins produced
- 1.1.9 a) Number of organizations assessed as potential partners in planning and preparedness
- 1.1.10 - No performance indicators needed. Milestones and deliverables are included in Work Plan.

IR or Activity	Impact Indicators:
IR 2.11.1	Instability reduced (survey)
2.1	Number of micro enterprises participating in USG assisted value chains
2.1	Number of micro enterprises receiving business development services from USG assisted sources
2.1	Number of micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain.
2.3	Public/private partnerships created
Task	Monitoring Indicators:
2.1.1	a) Number of target municipalities with the most effective program strategy defined
2.1.2	a) Number of initial sub-sectors/value chains defined b) Number of business plan competitions to “jump start” program
2.1.3	a) Number of Partners with MOU signed b) Percentage of business plan competition winners receiving assistance c) Number of grants d) Value of grants
2.1.4	a) Number of people receiving training in improving business related skills b) Number of educational and business entities participating in organizing training programs
2.1.5	a) Number of companies receiving technical assistance and training aimed at improving their business performance b) Number of supplier groups receiving technical assistance and training aimed at improving their business performance c) Number of companies with internship programs d) Number of interns in internship programs e) Number of new jobs created f) Increase sales in firms supported

- 2.1.6 a) Number of civil groups participated in SCOPES activities and received training in advocacy
- 2.2.1 b) Number of special events supported throughout SCOPES AOR
- 2.2.1 a) Number of Municipalities with appropriate entity representing local communities identified
- 2.2.2 a) Number of Municipalities with staff received training and TA on improving capacities to serve vulnerable people
- 2.2.3 a) Number of Municipalities with capacities of existing CAC assessed
- 2.3.1 a) Number of NGO or business association representing vulnerable populations receiving training in advocacy or presentation skills
- 2.3.1 b) Number of special events targeting vulnerable people and organized by civic groups
- 2.3.2 a) Number of reporters trained and supported to work on economy and issues related to vulnerable people
- 2.3.3 a) Number multi-ethnic or cross-border events supported
- 2.3.3 b) Number of NGOs organized and trained to perform capacity building processes